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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971.

No. 71-787

MONSANTO COMPANY,

Petitioner,

vs.

DAWSON CHEMICAL COMPANY AND
CRYSTAL CHEMICAL COMPANY,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

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MONSANTO COMPANY,
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vs.

DAWSON CHEMICAL COMPANY AND
CRYSTAL CHEMICAL COMPANY,
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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your Petitioner, Monsanto Company, prays for a writ of certiorari to review the order of the United States Court of Appeals for the Fifth Circuit entered in the above-entitled action.

OPINIONS BELOW.

(a) Opinion and judgment order of the Court of Appeals for the Fifth Circuit in the above case, Appeal No. 30687, both dated June 8, 1971; reported at 443 F. 2d 1035, 170 USPQ 199 (See Appendix p. A-1).

(b) Order of the Court of Appeals for the Fifth Circuit denying petition for rehearing and suggestion for rehearing en banc in the above case, dated September 15, 1971 (see Appendix, p. A. 8).

(c) Opinion of the District Court for the Southern District of Texas in the above case, Civil Action 68-H-400, dated April 17, 1970; reported at 312 F. Supp. 452, 165 USPQ 560 (see Appendix, p. A. 9).

(d) Opinion (referred to in the opinions of the District Court for the Southern District of Texas and Court of Appeals for the Fifth Circuit) of the District Court for the Eastern District of Pennsylvania in *Monsanto Company* v. *Rohm & Haas Company*, Civil Action 68-1269, dated February 17, 1970; reported at 312 F. Supp. 778, 164 USPQ 556 (see Appendix, p. A. 33).

(e) Opinion and order of the District Court for the Eastern District of Pennsylvania on post trial motions in *Monsanto Company* v. *Rohm & Haas Company*, Civil Action 68-1269, dated May 21, 1970; reported at 312 F. Supp. 798, 164 USPQ 683 (see Appendix, p. A. 70).

[At the time of this writing, no decision has been received from the Court of Appeals for the Third Circuit in Appeal No. 19312, taken from the judgment of the District Court in *Monsanto Company* v. *Rohm & Haas Company*.]

JURISDICTION.

The jurisdiction of this court is invoked under 28 USC § 1254(1).

The order of the Court of Appeals reversing the district court which the petitioner seeks to have reviewed herein was entered June 8, 1971. A timely petition for rehearing, or, in the alternative, for clarification of the mandate to the district court, was denied on September 15, 1971. The Court

of Appeals, on September 29, 1971, stayed its mandate to December 14, 1971, pending disposition of this petition for writ of certiorari. The bases of jurisdiction in the district court were 28 USC § 1338 and 35 USC § 271.

QUESTION PRESENTED.

Where copending patent infringement actions against different defendants are permitted to go to trial in different districts and both trials are completed before a decision has been rendered in either—does a judgment of invalidity in the case which happens to be decided first become a basis for reversing a judgment of validity in the other to permit retroactive application of collateral estoppel?*

CONSTITUTIONAL PROVISIONS AND STATUTES.

This case involves Article 1, Section 8, Clause 8 and the "Due Process" clause of the Fifth Amendment to the Constitution, and 35 USC § 281, which reads, "A patentee shall have remedy by civil action for infringement of his patent."

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* This Court's very recent opinion of December 6, 1971 in Chevron Oil Company v. Gaines Ted Huson, No. 70-11, 40 Law Week 4023, emphasizes the basic unfairness of retroactive application. Further, the Chevron case speaks to the sub-question intended to be embraced here where the estoppel rule to be applied retroactively is a new principle of law announced in another case and reversing the rule upon which the parties and the district court here had relied. As made clear in the statement of the case, the Blonder-Tongue Laboratories v. University of Illinois Foundation opinion here did not announce the new estoppel rule until after the petitioner's patent had been adjudicated valid and appeal arguments had been heard.

STATEMENT OF THE CASE.

Introductory.

The question presented stems from what the petitioner submits is a clear misapplication of the rule of this Court in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U. S. 313, 28 L. Ed. 2d 788 (1971) to a situation involving completely different facts. The Court of Appeals for the Fifth Circuit—a month after the *Blonder* decision and on its own motion—reversed the judgment of the Houston District Court that Monsanto's patent was valid and infringed without any consideration of the merits of the case which had been briefed and argued. It remanded the cause for inclusion of a collateral estoppel defense in view of a judgment of the Philadelphia District Court in *Monsanto* v. *Rohm & Haas*, 312 F. Supp. 778 (E. D. Pa. 1970), that the Monsanto patent was invalid. The *Rohm & Haas* case was filed the same day as the instant case and was tried only a few weeks before. The opinion of the Court of Appeals for the Fifth Circuit so disregards the realities of trial scheduling, the decision-making process in the federal judicial system and both the facts and holdings in *Blonder-Tongue** as to nullify the statutory and, indeed, constitutional rights of the patent owner.

The *Blonder-Tongue* decision overruled long standing judge-made law affecting substance as well as procedure in multi-district litigation but provided no guidelines to the lower courts in weighing the consequences of the probability of delay in scheduling sequential trials and decisions rather than permitting trials to go forward concurrently on the same patent. Further guidance is essential. Priority of

* In *Blonder-Tongue* the Iowa district court's prior judgment of invalidity was before Judge Hoffman before he began the *Blonder-Tongue* trial in Chicago. That is a compelling distinction in the two situations.

filing suit or of trial assures neither priority nor promptness of final disposition; and nothing in *Blonder-Tongue* suggests that justice or the purpose of that opinion is served by waiting for a first decision. Neither does it suggest that judicial efforts already expended should be undone in favor of whatever decision invalidates a patent. *Blonder-Tongue* clearly premises its modification of the *Triplett* v. *Lowell*, 296 U. S. 638 (1936) rule on the existence of a *prior, final* judgment and the patent owner's having had a "full and fair" opportunity to litigate his patent. Those are missing here. An answering "No" to the issue question is sought by the petitioner and should serve the public interest well.

The Case Below.

Monsanto is the owner of Patent 3,382,280 which has a single claim to a weed killing chemical ("3,4-DCPA" for short). Monsanto filed civil actions for patent infringement on the day the patent issued against competitors marketing 3,4-DCPA, including Dawson Chemical et al. in the District Court in Houston and Rohm & Haas.* Discovery in the two cases proceeded concurrently and the two cases, involving substantially identical issues, were tried only six weeks apart, the Philadelphia case being tried first. There was no decision in either case to which a party in the other court could refer at trial. The Philadelphia District Court decision, which held the patent invalid, came down first *but after the trial in Houston*. The Houston District Court had the Philadelphia District Court opinion before it when it ruled two months later that the patent was valid. The Houston court also disagreed with the Philadelphia court on every other issue. The two decisions were, in short, diametrically opposed.

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* The *Rohm & Haas* case was filed in the Central District of California (Los Angeles) but was sent to the Eastern District of Pennsylvania (Philadelphia) on Rohm & Haas' motion to transfer, thereby depriving Monsanto of its choice of forum.

Monsanto appealed to the Court of Appeals for the Third Circuit and Dawson Chemical et al. appealed to the Court of Appeals for the Fifth Circuit. Both appeals were argued and awaiting decision as of May 3, 1971 when *Blonder-Tongue Laboratories v. University of Illinois Foundation*, 402 U. S. 313, was decided.

The chronology of relevant dates in the *Rohm & Haas* and *Dawson et al.* cases is as follows:

	Dawson et al.	Rohm & Haas
Filed	May 7, 1968	May 7, 1968
Trial	January 12 to 16, 1970	November 12 to 24, 1969
Judgment	April 17, 1970	February 17, 1970
Appeal argued	April 20, 1971	May 3, 1971

On June 8, 1971, the Fifth Circuit Court of Appeals, without the benefit of brief or argument as to the effect of *Blonder-Tongue*, referred to the partial overruling of *Triplett v. Lowell*, 296 U. S. 638 (1936) in *Blonder-Tongue* as "the proverbial slip twixt the cup and the lip," erroneously considering the situation before it as "identical" to that in *Blonder-Tongue* and the *Rohm & Haas* decision a "prior judgment." It reversed the Houston District Court without reaching the merits and remanded the case to allow the defendant "to amend its pleading to assert a plea of estoppel." The Court of Appeals for the Third Circuit had not then ruled in the *Rohm & Haas* case and at the time of this writing still has not.

Monsanto's petition for rehearing to the Court of Appeals for the Fifth Circuit was its first and only opportunity to be heard on any issue raised by *Blonder-Tongue*. As pointed out in the petition, there was no "final judgment of invalidity" at the time the Houston District Court ruled. There was no *prior judgment at all* when the case was tried in Houston.

The gaming-table aspect of patent law enforcement would only be further exploited, and with the odds unfairly increased in favor of the defendant, if the defendant were to be allowed, after a full trial and adverse judgment, to then elect to rely on a judgment adverse to the plaintiff against another defendant in another case. *Blonder-Tongue* did not suggest that determinations of invalidity are to be favored over determinations of validity. *Blonder-Tongue* did not question the need for a patentee to bring multiple suits to secure his rights. And most of all, it did not suggest throwing away the results of an expensive and time-consuming trial and the judicial travail of a conscientious judge.

Monsanto also urged in its petition for rehearing that it was error to apply the overruling decision retrospectively. The purpose of the change in the law represented by an overruling decision such as *Blonder-Tongue* is the foremost criterion in determining whether a new decision is to be retrospective or prospective in application to parties other than the litigant in the case resulting in the overruling decision. *Desist* v. *U. S.*, 394 U. S. 244, 249 (1968); see also *Linkletter* v. *Walker*, 381 U. S. 618 (1965) and *Stovall* v. *Denno*, 388 U. S. 293 (1967). But the purposes of the *Blonder-Tongue* decision—improved administration of the patent laws and the saving of judicial time and litigation costs—could not be served by discarding what had been done without error. No wrong existed to be thereby righted. As a general proposition, the purposes served by overruling *Triplett* v. *Lowell*, *supra*, would not be advanced by retrospective application of *Blonder-Tongue*. But where the second trial was already completed, judgment was reached, and *where the "prior" judgment to be relied upon did not exist at trial time*, there is no basis for a collateral estoppel defense. The new rule, as to parties other than Blonder-Tongue and University of Illinois Foundation, is a guide which courts and parties should consider in schedul-

ing trials, as well as in pleading defenses, but not a sword for undoing what has been correctly done.

The rehearing petition was denied without comment.

REASONS FOR GRANTING THE WRIT.

The order of the Court of Appeals for the Fifth Circuit in this case misapplies the new estoppel rule so as to both increase the problem meant to be solved in *Blonder-Tongue* and increase delay. And justice delayed is justice denied. In *Blonder-Tongue* this Court weighed three components of the mutuality of estoppel problem presented by *Triplett* v. *Lowell*—first, patent system considerations; second, economic cost; and third, the burden on the courts. Retrospective application of *Blonder-Tongue* avoids none of those problems in this case.

A fourth component—delay, particularly procedural delay—deserves recognition as an important part of the problem.

The realities of trial scheduling in our federal judicial system strongly suggest recurrence of these problems unless the consequences of delay are recognized henceforth in permitting the trial court's sense of justice and equity to prevail in adjudicating estoppel issues. Perhaps federal court calendars can be coordinated so that one case must proceed to final judgment before another case on the same patent will be tried, but whether or not that should be a goal, it was not a reality when the cases below were tried.

The now partially overruled mutuality of estoppel doctrine of *Triplett* v. *Lowell* was based on solid principles of *res judicata* which require a *prior, final* judgment and the same parties (or those in privity). While the concept of privity has been broadened by *Blonder-Tongue* to permit an entirely different defendant to claim the benefit of a

prior judgment of invalidity in a prior case, such a judgment, by the express terms of *Blonder-Tongue*, must still be both *prior* and *final* and, in addition, the patent owner must have had a "full and fair" opportunity to litigate (402 U. S. at 333). Where there are two diametrically opposed, contemporaneous judgments rendered after almost simultaneous trials, it is apparent that these requirements are missing. One judgment must be wrong. But is it to be presumed prior to appellate review of either case, that the one adverse to the patent owner is not only right but "prior" in the sense of *Blonder-Tongue?*

Can Collateral Estoppel Arise Retroactively?

The question goes directly to the due process heart of the matter. Given a judicial system that even after *Blonder-Tongue* permits two cases to be tried essentially simultaneously in different circuits and given the gaming table odds that either might be the first decided, it is an obvious misapplication of the doctrine of collateral estoppel to retroactively impose the effect of an adverse decision in the first decided case on the other in which an opposite result had already been reached.

The threshold injustice here lies, of course, in retrospectively applying the new rule of *Blonder-Tongue* to a previously tried and decided case involving parties different from those in *Blonder-Tongue;* cf. *Desist* v. *U. S.; Linkletter* v. *Walker;* and *Stovall* v. *Denno, supra.* But if we are to assume for purposes of this petition, as has the Fifth Circuit Court of Appeals, that *Blonder-Tongue* should have such retrospective application to the present case, it is essential that the question posed in this petition be answered "No" in order to avoid total injustice in this and like cases.

The question goes, of course, to the timely availability of

a sufficiently final prior adjudication of invalidity to serve the purposes of an estoppel rule. Obviously, a defendant has no opportunity to bring a motion before trial based upon estoppel if there is no existing adjudication—final or otherwise. Unless adjudications of invalidity are to be favored over adjudications of validity, a defendant should have no right to have a judgment of validity vacated in order to plead an estoppel defense which was nonexistent before trial. To delay trial in any suit on a particular patent until all prior initiated litigation on the same patent had been concluded is a possibility, but may create delay only to unduly favor the defendant by giving him maximum opportunity to take advantage of another defendant's day in court whose outcome was more to his liking. Given simultaneously filed actions, which should go first and by whose choice? Plaintiff's multiple days in multiple courts in order to comply with venue provisions are liabilities rather than advantages under the "sudden death" operation of an *in rem* invalidity estoppel rule.

Certainly the plaintiff-patentee who proceeds properly to successful judgment in one case should not be penalized by having the trial or judgment undone because of a post-trial but "prior" judgment in another case so long as he was not the cause of unnecessary delay in that other case.

The question presents an opportunity for guiding the courts below by emphasizing the delay factor and the realities of the federal judicial system as factors to be weighed with others in considering estoppel issues. Any absolute rule which defines the prior judgment either as that based on a first filed case or that in which a judgment first becomes final offers too many opportunities for delay and procedural manipulation in copending actions. Either could work unfairly against the patentee or against the persons charged with infringement.

This very case provides further striking evidence of the unsettling yet substantial effect of delay on the outcome of trials, appeals, petitions for writ of certiorari and, therefore, on the rights of the parties. Monsanto after denial of its petition for rehearing to the Fifth Circuit sought and obtained a full ninety day stay of the mandate in the hope that a reversal of the *Rohm & Haas* decision would be available before this petition need be filed. The outcome of that appeal has an obvious bearing on this petition and could well have removed any necessity for its submittal. Moreover, if it be assumed that *Blonder-Tongue* should not be applied retrospectively and that this Court, as it has generally in the past, would undertake to resolve conflicts between circuits, a Third Circuit decision affirming wholly or partly the Philadelphia District Court's decision would be the subject of a petition seeking such resolution. And it would be far more desirable from the standpoint of judicial efficiency, cost and, we would assume, opportunity to be heard in this Court, if such a petition for writ of certiorari to the Third Circuit could be considered simultaneously in this Court.

Neither the mutuality rule of *Triplett* nor the collateral estoppel rule of *Blonder-Tongue* inhibit a patent owner from bringing and prosecuting simultaneous suits on the same patent. He has no choice but to sue each infringer where he can reach him, and he may prejudice his right to recover by delaying suit against one infringer in favor of suing others. Quite apart from venue considerations, crowded conditions of district court dockets may still make it necessary to sue different defendants in different courts to improve the prospects of any one case being brought to trial or judgment at a reasonable time. The District Court for the District of Puerto Rico has recently ruled (November 3, 1971), in *Patentex, Inc. v. Manhattan Hosiery Corp.*, 171 USPQ 693 (see Appendix, p. A-78), that it

would not stay a second filed action under *Blonder-Tongue* since the first filed suit in the District Court of the Southern District of New York faced delay due to a crowded docket. For a court to rule otherwise would only further encourage patentees or declaratory judgment plaintiffs who thought to gain by delay in initiating litigation in courts where dockets were especially crowded.

Likewise, justice delayed by staying a proceeding in one court until appeal has been exhausted on a judgment in another court may be more prejudicial than a defendant's loss of possible estoppel defense or a court's time in trying the second case. But whatever the problems of applying *Blonder-Tongue* prospectively no real reason exists for vacating the judgment in an already decided case. The uncertainty in the application of the law of patentability being what it is makes it possible that a court in a third or later case on a patent will have to choose between conflicting prior judgments in determining the collateral estoppel issue as in *Blumcraft of Pittsburgh v. Kawneer Co., Inc.*, Civil Action 12847, N. D. Georgia, November 16, 1971, order on Summary Judgment motion (see Appendix, p. A-80). In such cases, any prior judgments of validity are neither vacated nor ignored because of a later judgment of invalidity in a case against another defendant. It makes no better sense in the instant case to vacate the later independent judgment of validity by one district court made with full knowledge of the judgment of invalidity by the first court after trial had been completed in the second court. Nothing in the purpose for the collateral estoppel rule justifies such a result.

Finally, petitioner asks if it is either just or sensible to reverse a judgment of validity reached in full trial against one infringer on the basis of a first invalidity judgment which is on appeal and subject to reversal. The niceties of

finality can become extremely technical, of course, and the relative timing of "final" acts in two suits may even reverse the labels of "earlier" and "later" judgment. For example, the Philadelphia District Court still had plaintiff's post-trial motions under Rules 52 and 59, Fed. R. Civ. P. under consideration when the Houston District Court ruled. Because, in that sense the Philadelphia ruling was not final by April 17, 1970, the Houston District Court ruling on that date became the first "final" ruling on validity. Without belaboring the point, it is apparent that in a system which does not purport to provide a measure of *in rem validity* commensurate with the brand of *in rem invalidity* afforded by *Blonder-Tongue*, the relative luxury of awaiting final disposition of cases against other defendants in other courts must be balanced against the practical necessity of finality of decision in that court within a reasonable time.

CONCLUSION.

The petition for writ of certiorari should be granted so that this Court may resolve the question presented.

Respectfully submitted,

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APPENDIX.

Decision of the Court of Appeals.

UNITED STATES COURT OF APPEALS,
For the Fifth Circuit.

MONSANTO COMPANY,
Plaintiff-Appellee,

v.

DAWSON CHEMICAL COMPANY
and
CRYSTAL CHEMICAL COMPANY,
Defendants-Appellants.

No. 30687.

OPINION OF THE COURT.

June 8, 1971.

Before GOLDBERG, GODBOLD AND RONEY, *Circuit Judges.*
GOLDBERG, *Circuit Judge:*

This is a patent infringement suit between Monsanto Company, the patentee plaintiff, and defendant Dawson Chemical Company, a wholly owned subsidiary of defendant Crystal Chemical Company. The subject matter of the dispute is a chemical compound known as 3, 4—dichloropropionanilide. This compound, also known as propionil or 3, 4—DCPA is used as a selective, post-

emergence herbicide. The plaintiff and defendant Dawson Chemical both market a herbicide containing 3, 4—DCPA, and defendants admit that if plaintiff's patent on 3, 4—DCPA is valid they have infringed that patent. Defendants claim, however, that plaintiff's patent is invalid, and that for this reason they have not infringed.

The district court held on April 14, 1970, 312 F. Supp. 452, that Monsanto's patent on 3, 4—DCPA was valid and that defendants were guilty of infringement. In so doing the court found (1) that 3, 4—DCPA was not anticipated by prior art within the meaning of 35 U. S. C. A. § 102(a) and (b); (2) that the compound was not obvious within the meaning of 35 U. S. C. A. § 103; (3) that Monsanto did not perpetrate a fraud upon the patent office by withholding certain information in its patent application; and (4) that Monsanto was not guilty of laches in seeking a patent on 3, 4—DCPA.

In the meantime Monsanto had filed an identical suit involving 3, 4—DCPA in the Eastern District of Pennsylvania against Rohm & Haas Company. In this suit defendant Rohm & Haas stipulated that if Monsanto's patent was valid, it had infringed. On February 17, 1970, almost two months before the decision rendered by the district court in our case, the court in the Eastern District of Pennsylvania rendered its opinion that the Monsanto patent on 3, 4—DCPA was invalid. In so holding that court found (1) that the chemical compound 3, 4—DCPA was anticipated within the meaning of 35 U. S. C. A. § 102(a) and (b); (2) that the compound was obvious within the meaning of 35 U. S. C. A. § 103; (3) that Monsanto intentionally withheld material facts in order to mislead the patent office and that Monsanto had come into court with unclean hands; and (4) that Monsanto was guilty of laches in asserting any right it had to patent 3, 4—DCPA. Monsanto Company v. Rohm & Haas Company, E. D. Penn. 1970, 312 F. Supp. 778.

The district court below recognized that the *Rohm & Haas* case presented a prior judgment on an identical subject, saying:

> "Before this opinion is concluded, it should be added that the possible effect of the decision in Monsanto Co. v. Rohm & Haas Co., 312 F. Supp. 778 (E. D. Pa. 1970) upon the result here reached has been carefully considered. Even though there is an identity of subject-matter between that case and this one, the fact nevertheless remains that there is no identity between the parties defendant, nor for that matter is there any privity between the parties defendant in each respective action. Moreover, the defendants here have placed greater emphasis on certain prior art items, namely, Bienert and Fontein, than did the defendants in Monsanto Co. v. Rohm & Haas Co., supra, though it is not clear whether the court in that case had exactly the same evidence before it as was offered here. The result on the issues resolved in Monsanto Co. v. Rohm & Haas Co., *supra*, does not therefore relieve this Court of its judicial travail of reaching its own independent decision on the merits of the case between these parties and on this record, even though this brings about diametrically [1186] opposed decisions on the validity of the same patent against the same attack. There is no res judicata or estoppel by judgment flowing from the earlier decision precluding plaintiff from its day in court against these defendants. Bros, Inc. v. W. E. Grace Mfg. Co., 351 F. 2d 208 (5th Cir. 1965); Edward Valves, Inc. v. Cameron Iron Works, *supra* [286 F. 2d 933]; Graham v. Cockshutt Farm Equipment, 256 F. 2d 358 (5th Cir. 1958); Miles v. Mathews, 171 F. 2d 38 (5th Cir. 1948)."

At the time the court below concluded that it was not relieved by the Pennsylvania judgment of the "judicial travail" of reaching its own decision on the merits, it was completely correct. The Supreme Court had long ago in Triplett v. Lowell, 1936, 297 U. S. 638, 56 S. Ct. 645, 80 L. Ed. 949, decided that even though a patent has been held

invalid in another suit, the patent owners are entitled to attempt to demonstrate the validity of that same patent against defendants who were not involved in the prior determination of invalidity. In *Triplett* the Court said:

> "While the contention now made is apparently for the first time seriously argued here, this Court has several times held valid the claims of a patent which had been held invalid by a Circuit Court of Appeals in an earlier suit brought by the same plaintiff against another defendant. Expanded Metal Co. v. Bradford, 214 U. S. 366, 29 S. Ct. 652, 53 L. Ed. 1034; Diamond Rubber Co. v. Consolidated Rubber Tire Co., 220 U. S. 428, 31 S. Ct. 444, 55 L. Ed. 527; Abercrombie & Fitch Co. v. Baldwin, 245 U. S. 198, 38 S. Ct. 104, 62 L. Ed. 240. Before the establishment of the circuit court of appeals, an adverse decision as to the validity of a patent in one circuit appears not to have foreclosed litigation of the same issue in another, see Barbed Wire Patent (Washburn & M. Mfg. Co. v. Beat 'Em All Barbed-Wire Co.), 143 U. S. 275, 12 S. Ct. 443, 450, 36 L. Ed. 154; compare United States v. American Bell Telephone Co., 128 U. S. 315, 372, 9 S. Ct. 90, 32 L. Ed. 450. That it does not now is implicitly recognized by the practice established under section 240(a) of the Judicial Code [28 U. S. C. A. § 347(a)] and Rule 38(5) of this Court, that certiorari will not usually be granted in patent cases unless there is a conflict in the decisions of Circuit Courts of Appeals. We conclude that neither the rules of the common law applicable to successive litigations concerning the same subject-matter, nor the disclaimer statute, precludes relitigation of the validity of a patent claim previously held invalid in a suit against a different defendant." 297 U. S. at 643-644, 56 S. Ct. at 648.

Therefore, in April, 1970, when the district court considered the matter, it was obligated by *Triplett* to make its own independent conclusion concerning the validity of the Monsanto patent on 3, 4—DCPA.

However, the proverbial slip twixt the cup and the lip occurred. On May 3, 1971, many months after the court below engaged in its ordeal of decision, and, indeed, after oral argument to this court, the Supreme Court with unanimous wisdom reversed its earlier holding in *Triplett*. The Court ruled that a patent owner is bound by the judgment of patent invalidity in a prior suit against a different defendant unless the patent owner can show that for some reason the prior judgment should not be given this estopped effect. Blonder-Tongue Laboratories v. University of Illinois Foundation, 1971, 401 U. S. ____, 91 S. Ct. 1434, 28 L. Ed. 2d 788 [May 3, 1971].

In *Blonder-Tongue* the Court said:

> "It is clear that judicial decisions have tended to depart from the rigid requirements of mutuality. In accordance with this trend, there has been a corresponding development of the lower courts' ability and facility in dealing with questions of when it is appropriate and fair to impose an estoppel against a party who has already litigated an issue once and lost. As one commentator has stated:
>
> > 'Under the tests of time and subsequent developments, the *Bernhard* decision [Bernhard v. Bank of America Natl. Trust & Savings Ass'n, 1942, 19 Cal. 2d 807, 122 P. 2d 892] has proved its merit and the mettle of its author. The abrasive action of new factual configurations and of actual human controversies, disposed of in the common-law tradition by competent courts, far more than the commentaries of academicians, leaves the decisions revealed for what it is, as it was written: a shining landmark of progress in justice and law administration.' Currie, *supra*, 53 Cal. L. Rev., at 37.
>
> "When these judicial developments are considered in the light of our consistent view—last presented in Lear, Inc. v. Adkins [1969, 395 U. S. 653, 89 S. Ct. 1902, 23 L. Ed. 2d 610]—that the holder of a patent should not

> be insulated from the assertion of defenses and thus allowed to exact royalties for the use of an idea that is not in fact patentable or that is beyond the scope of the patent monopoly granted, it is apparent that the uncritical acceptance of the principle of mutuality of estoppel expressed in Triplett v. Lowell is today out of place. Thus, we conclude that *Triplett* should be overruled to the extent it forecloses a plea of estoppel by one facing a charge of infringement of a patent that has once been declared invalid." 91 S. Ct. at 1453.

Recognizing that collateral estoppel is an affirmative defense which must be pleaded the Court remanded the case to the district court, saying:

> "*Res judicata* and collateral estoppel are affirmative defenses that must be pleaded. Fed. Rule Civ. Proc. 8(c). The purpose of such pleading is to give the opposing party notice of the plea of estoppel and a chance to argue, if he can, why the imposition of an estoppel would be inappropriate. Because of Triplett v. Lowell, petitioner did not plead estoppel and respondent never had an opportunity to challenge the appropriateness of such a plea on the grounds set forth in Part III A of this opinion. Therefore, given the partial overruling of *Triplett*, we remand the case. Petitioner should be allowed to amend its pleadings in the District Court to assert a plea of estoppel. Respondent must then be permitted to amend its pleadings, and to supplement the record with any evidence showing why an estoppel should not be imposed in this case. If necessary, petitioner may also supplement the record. In taking this action, we intimate no views on the other issues presented in this case. The judgment of the Court of Appeals is vacated and the cause is remanded to the District Court for further proceedings consistent with this opinion." 91 S. Ct. at 1453-1454.

In the instant case we have a situation identical to that encountered by the Supreme Court in *Blonder-Tongue*.

At the time the district court made its decision there was a final judgment of another court declaring Monsanto's patent on 3, 4—DCPA invalid. But for the *Triplett* doctrine the defendant here could have pled the collateral estoppel effect of this prior judgment. Following the directions of the Supreme Court, we remand this case to the district court to allow the defendant to amend its pleading to assert a plea of estoppel. The plaintiff should then be permitted to show the reasons, if any, why estoppel should not be allowed.

In conclusion, we reiterate that the learned trial judge could not have anticipated that the Supreme Court would still the compulsions of *Triplett*. He was therefore obligated to confront the chemical elements, their homologs, and the other accoutrements of this patent litigation.

For the foregoing reasons, the cause is remanded to the district court for further proceedings consistent with the Supreme Court's decision in Blonder-Tongue Laboratories v. University of Illinois Foundation, *supra*.

Reversed and remanded.

Decision of the Court of Appeals on Petition for Rehearing and Petition for Rehearing en Banc.

UNITED STATES COURT OF APPEALS,
For the Fifth Circuit.

MONSANTO COMPANY,
Plaintiff-Appellee,

v.

DAWSON CHEMICAL COMPANY

and

CRYSTAL CHEMICAL COMPANY,
Defendants-Appellants.

No. 30687.

(September 15, 1971)

Before GOLDBERG, GODBOLD and RONEY,
Circuit Judges.

PER CURIAM: The Petition for Rehearing is DENIED and no member of this panel nor Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35 Federal Rules of Appellate Procedure; Local Fifth Circuit Rule 12), the Petition for Rehearing En Banc is DENIED.

Decision of the District Court.

UNITED STATES DISTRICT COURT,
S. D. Texas,
Houston Division.

MONSANTO COMPANY,

vs.

DAWSON CHEMICAL COMPANY and
CRYSTAL CHEMICAL COMPANY.

Civ. A. No. 68-H-400.

April 17, 1970.

MEMORANDUM AND ORDER.

SINGLETON, *District Judge.*

This is a patent infringement suit between the patentee, plaintiff, and the alleged infringers, defendants, who have counterclaimed for a declaratory judgment nullifying plaintiff's patent. Plaintiff is a Delaware corporation with its principal place of business in St. Louis, Missouri. Defendant Crystal Chemical Company is a Florida corporation with its principal place of business in Houston, Texas within this judicial district. Defendant Dawson Chemical Company is a Texas corporation that is wholly owned by defendant Crystal Chemical Company and has its principal place of business also in Houston, Texas. Because this

action arises under the patent laws of the United States, there is jurisdiction under 35 U. S. C. § 271 and 28 U. S. C. § 1338 and venue is proper under 28 U. S. C. § 1400.

The subject matter at the heart of the dispute is a chemical compound known as 3,4-dichloropropionanalide. This compound, also known as propionil or 3,4-DCPA, is one having herbicidal activity. It is the active ingredient in commercial herbicide formulations sold by plaintiff and defendants for use in selectively killing weeds in the presence of rice. Because of this characteristic, it is said to be a selective, post-emergence herbicide, or one which, when generally applied to plants which have sprouted, selects and kills certain of them while leaving others standing and unharmed.[1] Plaintiff's patent issued on May 7, 1968, the same date this suit was filed, on the basis of an application which was presented to the United States Patent Office on February 3, 1967. The application contained a single claim reading: 3,4-dichloropropionanalide." That 1967 application was a division of an application filed May 8, 1961, which is turn was a continuation-in-part of an application filed May 27, 1957. In all three applications Dr. Clarence W. Huffman was named as the inventor.

Plaintiff began selling its herbicide, Rogue, containing 3,4-DCPA in early 1962, and has sold it continuously since that time. The defendants, Dawson and Crystal, first sold their herbicide composition in December of 1967. Since it admittedly contains 3,4-DCPA, there is no question but that defendants have infringed the patent if it is valid. Defendants, however, contend that the patent is not valid and that they have, therefore, not infringed.

3,4-DCPA is a member of a class of compounds known as analides. The May 27, 1957 patent application filed in

1. This is to be contrasted from non-selective herbicides which kill all plants with which they come into contact and pre-emergence herbicides which kill all plants before they sprout from the ground.

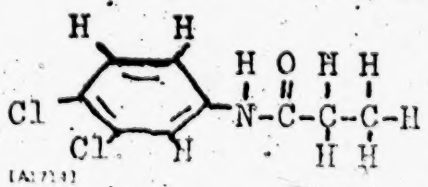
Dr. Huffman's name disclosed a large class of 3,4-dihalogen substituted analides[2] as being useful herbicides. Among these disclosures was 3,4-DCPA, although the claims in that application were directed only to its use; it was not claimed as a compound. Apparently, Huffman knew of no disclosure in the prior art of the herbicidal properties which are characteristic of some analides.

Huffman's second patent application, filed on May 8, 1961, narrowed somewhat the range of compounds claimed as herbicides. 3,4-DCPA was likewise disclosed in this continuation-in-part of the 1957 application. From May 27, 1957 until May 7, 1968, when the patent issued, there was continuously pending in the Patent Office a disclosure of the compound 3,4-DCPA, its method of preparation, and experimental evidence of its activity as a herbicide.

There is no doubt that 3,4-DCPA is a novel composition of matter and that 3,4-DCPA was not only disclosed as a useful herbicide, but that, indeed, it has found very substantial commercial utility as a herbicide. Dr. Huffman was hired in 1952 by the Lion Oil Company in El Dorado, Arkansas, for the specific purpose of instituting a research program in the field of herbicides and defoliants. 3,4-DCPA was invented in the course of that program. Mon-

2. The structure of 3,4-DCPA starts with a modified benzene ring at one end of the molecule with an analide radical, comprised of three carbon atoms, six hydrogen atoms, and one atom each of nitrogen and oxygen, attached to the ring in the one position. There are also attached to the ring hydrogen atoms in the two, five, and six positions and chlorine atoms at three-four positions. To put it in a pictorial fashion:

It should be understood that the benzene ring is a hexagonal chain consisting of a carbon atom at each of its six corners.



[A1234]

santo purchased Lion Oil Company about mid-1955 and merged Lion into Monsanto.

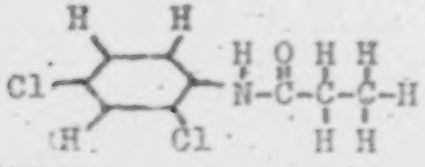
For the most part, the research program was carried out either by Huffman or by his assistant synthesizing the chemical compounds to be tested as herbicides and defoliants. Huffman also purchased some of the candidate compounds, but these amounted to no more than about 20% of the total tested in the course of the program. Some of the compounds tested as herbicides and defoliants during the course of the research program which were synthesized by Huffman were thought to be new compounds, but a number of the compounds synthesized by Huffman, and, of course, all the compounds purchased by him, were known to chemical science.

Because Lion Oil had no greenhouse facilities of its own to screen and test herbicide candidates on plants, Lion entered into two contracts with the Midwest Research Institute, a private, non-profit research organization located in Kansas City, Missouri, to carry out the testing of the candidate chemical compounds sent to it by Huffman for herbicidal and defoliant properties. In the course of the Lion Oil herbicide research program and the contract with Midwest Research Institute which terminated at the end of 1955, Dr. Huffman sent about 300 different chemical compounds to Midwest for screening as herbicides and defoliants. The herbicidal activity which Dr. Huffman was searching for included at all times during his research program both pre-emergence and post-emergence activity. Dr. Huffman conceived of 3,4-DCPA and had it synthesized for the specific purpose of determining its herbicidal and defoliant properties.

The chemical compounds tested by Midwest for Dr. Huffman were of many different chemical types. Huffman initially sought to test compounds which in terms of their chemical structure were similar to certain then commer-

cially available herbicides. By 1954, however, he had evolved a novel theory which led him to select his candidate chemicals in a different and unique way. Dr. Huffman made scale models of the molecules of a number of commercially successful herbicides and measured their over-all dimensions. He found that when stretched out several were about 13 angstroms in length and that when compressed they measured about 10 angstroms. Based on these findings he formed models of other chemical compounds which approximated such dimensions and which had no known herbicidal activity, many of which like 3,4-DCPA had never even been made before. He then proceeded to synthesize and have those chemicals tested as herbicides.

In late 1954, during the course of his herbicide research program and as a result of his examination of the scale models, he gave instructions to Mr. Swafford, a chemist assisting him, to synthesize 3,4-DCPA, a compound having approximately the desired dimensions. By January 11, 1955, 3,4-DCPA had been synthesized by Mr. Swafford for Dr. Huffman. It was sent along with a group of other compounds, including 2,4-dichloropropionanalide,[3] a known chemical compound also having the same dimensions as 3,4-DCPA, but which likewise had never been tested as a herbicide. Dr. Huffman expected the 2,4-dichloropropionanalide to show superior herbicidal activity as compared to 3,4-DCPA because the 2,4 substitution of the chlorine atoms in that compound was similar to that in the well-known selective [illegible] herbicide 2, 4, D. But as it turned out, 2,4-dichloropropionanalide showed essen-

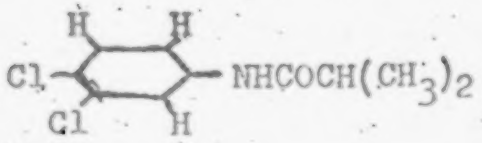


tially no herbicidal activity while 3,4-DCPA and the closely related 3,4-dichloro-isobutyranalide,[1] also ostensibly first synthesized by Dr. Huffman, proved to have the highest activity on the plants treated at Midwest.

The testing of 3,4-DCPA by Midwest Research Institute was completed by May, 1955. Its report dated June 15, 1955, explicitly stated that 3,4-DCPA had demonstrated high activity, but that 2,4-dichloropropionanalide should be dropped from further consideration. The data on the herbicidal testing of 3,4-DCPA set forth in Midwest's report showed that all of the plants sprayed with the herbicide formulation containing that compound were killed except rye grass which was not completely killed, although about 90% of the stand of rye grass was killed. This indicated to Dr. Huffman that 3,4-DCPA should be tested further for selectivity on such plants and that the next logical step was to retest at a lower dosage or rate than eight pounds per acre at which Midwest conducted its initial screening. In a later test of 3,4-DCPA on rye grass and other plants at the rate of one pound per acre, some of the same plants killed with 3,4-DCPA killed at eight pounds per acre were again killed at one pound per acre, but the rye grass was completely unharmed, thus confirming the prior indication of selectivity. This data appears in the patent in suit.

The record is clear that it was as a result of Dr. Huffman's work that 3,4-DCPA was first found to be a selective herbicide. As previously mentioned, he saw an indication of selectivity in the Midwest test of 1955. By letter of December 28, 1956, Dr. Huffman asked Dr. Hamm to test

[1]



3,4-DCPA at low rates as a post-emergence herbicide. It was as a result of Dr. Huffman's theory as to the significance of molecular size that he was able to arrive at the herbicidal activity of 3,4-dichloro substituted analides in general and of 3,4-DCPA specifically.

The touchstone for the determination of the validity of any patent is the strong presumption that arises in favor of that validity when the Patent Office decides to grant the patent. See Mumm v. Jacob E. Decker & Sons, 301 U. S. 168, 57 S. Ct. 675, 81 L. Ed. 983 (1937). As is provided in 35 U. S. C. § 282, "A patent shall be presumed valid. The burden of establishing invalidity of a patent [or any claim thereof] shall rest on a party asserting it." Because of the expertise with which the personnel of the Patent Office are endowed, that burden is a heavy one.

One of the defenses raised is that the chemical compound 3,4-DCPA was anticipated within sections 102(a) and (b) of Title 35, U. S. C. In substance, these sections provide that a person is entitled to a patent unless certain conditions are present. Those conditions include among other things, the invention being known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before it was invented by the applicant. 35 U. S. C. § 102(a). Similarly, subsection (b) precludes one's right to a patent if the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country more than one year prior to the date of the application for patent in the United States. In order for there to be an anticipation by way of description within the meaning of section 102(a) and (b), it is necessary that the prior reference disclose the composition of matter claimed. Smith, Kline & French Laboratories v. Clark & Clark, 155 F. 2d 725 (3rd Cir. 1946). Defendants have cited two

erences, each of which they contend discloses 3,4-DCPA.[5] Those references are a 1938 United States Patent No. 2,133,340 to Bienert and a 1928 literary composition by Cornelia Fontein in Recueit Trav. Chim., volume 47, pages 635-37.

The Bienert patent is directed toward the synthesis of acylamino phthalocyanine dyes. The starting materials used in this synthesis fall into three general classes of chemical compounds. All three classes are characterized by an acylamino substituent on a benzene ring. Further, one class has ortho-dinitrile benzene substituents, a second class has ortho-halonitrile benzene substituents, and a third class has ortho-dihalo benzene substituents. Each of these classes include many thousands of compounds. At trial the defendant's expert witness testified that Bienert, by using the following language, designated a preferred or narrowed class within these many thousands of compounds:

> "As starting material o-dinitriles of that benzene series are used which have as substituents an amino group wherein a hydrogen atom is substituted by the radical of an aliphatic or aromatic acid, f.i. by acetyl, butyryl, propionyl, benzoyl, methyl benzoyl, methoxy benzoyl, etc. Of course, there may also be used as starting materials such compounds of the benzene series which contain an acylamino group and which are suitable to be transformed into o-dinitril compounds during the reaction as o-halogen nitriles and o-dihalogen benzenes."

Defendants' expert agreed, however, that even this narrowed and preferred class, if that it was, included at least 500 compounds.

While Bienert discloses broadly the class of orthodihalo-

5. For reasons which will be explicitly presented below, the only references which raise the anticipation question are those prior to the filing date of the 1957 application.

benzene derivatives, it contains no specific disclosure of any such dihalobenzene derivative, or of a dichlorobenzene derivative. The only halogen derivative specifically mentioned is a bromine substituted compound. Bienert does not contain the word "3,4-dichloropropionanalide" or a structural formula for the compound 3,4-dichloropropionanalide or any other indication of this specific compound. There is no indication in the Bienert patent that Bienert either made or contemplated making the compound 3-4-dichloropropionanalide. The only ultility disclosed by the Bienert patent for the ortho-dihalogen derivatives encompassed within the third class of compounds disclosed is as a chemical reactant used to prepare a further chemical reactant which in turn is used to make a phthaleyanine dye. There is no mention in Bienert that any of these compounds would be effective as herbicides.

The Fontein article cited above is a chemical mechanism study and does not disclose or purport to disclose a class of compounds. It discusses a rearrangement of an N-chloroacylanalides to a 4-chloroacylanalides and seeks to discover the effects of a structural change upon this rearrangement. If each of the possible permutations and combinations of the reaction generally illustrated on page 638 of the Fontein article were carried out, which they were not, a minimum of 46 possible compounds could be conceivably preparted. One of these 40 might be 3,4-DCPA, but Miss Fontein actually carried out only nine such reactions and got only nine compounds, none of which was 3,4-DCPA to perform the tests she undertook. The Fontein article discloses no interest in the utility of any of the nine compounds said to have resulted from her mechanism study.

It has long been a principle of patent law that a prior art reference, whether the reference is an earlier patent or some other publication, does not anticipate unless it is

disclosed in such full, clear, and exact terms as to enable any person skilled in the art to which the invention relates to practice it. Deller's Walker on Patents, Vol. 1, sections 60 and 61 at pages 277, 285. As the Supreme Court said in Seymour v. Osborne, 78 U. S. (11 Wall.) 516, 20 L. Ed. 33 (1871):

> "Patented inventions cannot be superseded by the mere introduction of a foreign publication of the kind, though of prior date, unless the description and drawings contained and exhibit a substantial representation of the patented improvement in such full, clear and exact terms as to enable any person skilled in the art or science to which it appertains to make, construct and practice the invention to the same practical extent as they would be enabled if the information were derived from a prior patent. *Mere vague and general representations will not suffice. A description as the publication must be sufficient to enable those skilled in the art or science to make and practice the invention, and to secure it into practical use.* Whatever may be the particular circumstances under which the publication takes place, the account published to be of any use for the purpose must be an account of a complete and operative invention capable of being put into practical operation." (20 L. Ed. 33. Emphasis added.)

A mere suggestion in a prior art reference is not enough, and vague, indefinite, or ambiguous disclosures do not anticipate. Deller's Walker on Patents, *supra*, at p. 286.

Since it is true in determining anticipation each reference must be considered separately, one by one, and not in combination, Firestone v. Aluminum Co. of America, 285 F. 2d 928 (6th Cir. 1960), it would seem that judged by these standards neither the indirect reference to 3,4 DCPA in Fontein, nor the generic class of compounds mentioned in Bienert is by itself a sufficiently clear disclosure as to

constitute an anticipation. Defendants, however, contend that a skilled chemist upon reading either of these references would immediately envisage the compound 3,4-DCPA. In doing so, they rely upon such cases as In re Baranauckas, 228 F. 2d 413, 43 CCPA 727 (1955); In re Petering, 301 F. 2d 676, 49 CCPA 993 (1962); In re Rosicky, 276 F. 2d 656, 47 CCPA 859 (1960); and Merck & Co. v. Marzall, 94 U. S. App. D. C. 50, 197 F. 2d 206 (1962).

In *Baranauckas, supra*, the applicant claimed as a compound 1,2,3,4-tetracyclopentadine. A prior art patent showed that cyclopentadiine reacted with a hypobromite solution to form hexabromiocyclopeintadine. The prior art teaching made it clear that chlorine could be interchanged with bromine and the structural formula of the compound 1,2,3,4-tetrabromiocyclopentadine was presented as an intermediate step. This, the court held, was a disclosure, though the applicant's claimed compound was not specifically named. *Baranauckas, supra*, is to be contrasted from the facts of the case at bar in that the range of possibilities for the substitution of various elements is much narrower. There, only chlorine and bromine were interchangeable, whereas here, there are forty possible compounds in the Fontein article and a minimum of 500 possible compounds in Bienert. Nothing is to be found in either reference pertaining directly to 3,4-DCPA.

In re *Petering, supra*, is another case in which the applicant's claimed compound was held to be anticipated. There, certain of the applicant's claims were generically disclosed in a prior art patent, the author of which clearly indicated a preference for a particular class of compounds, which included some twenty members. The court in reaching this result concluded that one skilled in the art, which was pharmacology, on reading the earlier patent would at once envisage each member of the limited class preferred. This

holding, which was limited by the court strictly to its facts, has no application here, again because of the large class of compounds mentioned in Bienert and the large number of potential compounds which could be synthesized by the various reactions in the illustration at page 638 of Fontein.

In re *Rosicky*, *supra*, held that the applicant's claimed compound, useful for its spasmolytic and antihistiminic properties, was anticipated by reason of a generic disclosure in a prior patent. The court, however, emphasized that one of the medicinal properties cited in the application was disclosed in the patent held to be anticipatory; here, neither the properties of Bienert's starting material nor those of the compounds yielded by the reaction illustrated in the Fontein article are so disclosed.

In Merck & Co. v. Marzall, *supra*, the Patent Office rejected the applicant's claim for thiamin mononitrate as a compound. This rejection was based on a prior art patent specifically disclosing a closely related compound, thiamin monobromide, but specified that the nitrate radical along with several other substituents could be used interchangeably. The court upheld the rejection by the Patent Office. Unlike the facts of the present case, there was in Merck & Co. v. Marzall, *supra*, a direct reference to the plaintiff's claimed compound by the specific contemplation in the prior art reference of thiamin mononitrate. Here, the prior art is devoid of a specific contemplation of 3,4 DCPA.

As a general matter, the size of each class of compounds held to anticipate in each of these cases is more limited than the genus discussed in the Bienert patent and the projections made in the Fontein article. Moreover, in each of these cases it is to be observed that there is a logical relationship between the properties disclosed in the prior art references and the properties inherent in the claimed compound in dispute. The facts of the present case are

more closely analogous to those of In re Rushig, 343 F. 2d 965, 52 CCPA 1238 (1965). There, the Patent Office rejected Rushig's application on the ground that the claimed compound was generically disclosed in a prior art patent. The Board of Patent Appeals affirmed in an opinion relying upon the *Petering* case, *supra*. The court reversed, holding that the Board's reliance on *Petering*, *supra*, was misplaced because of the diversity and the generality of the possible compounds:

> "We did not intend our Petering opinion or decision to become a precedent for the mechanistic dissection and recombination of the components of the specific illustrative compounds in every chemical reference containing them, to create hindsight anticipations with the guidance of an applicant's disclosures, on the theory that such reconstructed disclosures *describe* specific compounds within the meaning of section 102." (343 F. 2d 974 – emphasis the Court's.)

Hindsight anticipations mentioned in *Rushig*, *supra*, is the very thing defendants have attempted here. They have seized upon a passage from the Bienert patent and an illustration from the Fontein article, pointed to each of the chemical substituents found in each reference, recombined certain of them to form the compound 3,4-DCPA, and then have attached to each reference the magic label of anticipation. This they cannot do.

It is clear beyond doubt that even after Dr. Huffman discovered 3,4-DCPA, the fact of that discovery would not lead one of ordinary chemical skills to anything which might be in the prior art. Prior to that discovery, no one had ever prepared 3,4-DCPA and it could not be found on any chemical list in the world. Certainly, there is nothing in the Bienert patent or the Fontein article, neither of which manifests any interest in herbicides, to draw the attention of those engaged in herbicide research. Dr. Huffman did

testify on cross-examination that it would take a skilled chemist only an hour to write down the equation in the portions of Bienert and Fontein defendants have cited, but on redirect examination he further testified that it would take two years to synthesize all the chemicals yielded by the reactions represented by those various formulas.

Dr. Huffman concluded that a skilled chemist upon seeing either reference would not immediately envisage 3,4-DCPA. An expert offered by defendants, Dr. Roberts, testified to the contrary, that a skilled chemist would immediately see 3,4-DCPA. Whether or not it would be immediately seen depends upon one's point of view. Hindsight anticipation would make it easy for Dr. Roberts to say that he would immediately see 3,4-DCPA when it is that exact compound he has in mind as he considered each reference. On the other hand, someone who was not already thinking of 3,4-DCPA would not immediately envisage it as a member of the class of compounds named. To put it differently, one who reads either of the cited references is in a position analogous to one who is taking a Gestalt test, widely used in the field of psychology. For instance, if the test consists of a sketch of a jungle scene drawn in such a manner as to conceal within its lines certain creatures which are known to inhabit the jungle, a person who studies the drawing long enough will begin to perceive of all the animals which are formed within the drawing. Whenever he again has occasion to see the same picture, he immediately finds all the animals which were not immediately apparent to him the first time he laid his eyes upon it. So here, when the eyes of a skilled chemist come upon Bienert or Fontein, they immediately see 3,4-DCPA when that is the very compound the chemist has in mind when studying these references. It is to be concluded, therefore, that 3,4-DCPA is not anticipated by the prior art.

Defendants also contend that 3,4-DCPA is not patentable because of certain other information known to the public more than one year prior to the 1967 application. Specifically, defendants refer to Southwest Africa Patent No. 827/59, describing and claiming 3,4-DCPA as a selective post-emergence herbicide, issued to Rohm & Haas Company, a copy of which was obtained by Monsanto by September 10, 1959. Defendants also call attention to the Southern Weed Conference attended by Monsanto representatives in January, 1960, where Dr. Roy Smith of the United States Department of Agriculture presented a report describing 3,4-DCPA as a selective post-emergence herbicide. The report was published in April, 1960. Finally, defendants point out that Monsanto learned as early as April, 1961, that Rohm & Haas had marketed a product known as "Stam F-34" containing 3,4-DCPA.

These facts, however, bear no relationship to whether 3,4-DCPA is in the prior art. The claims made in the 1967 application relate back to the disclosures in the 1961 application, which in turn relate back to those in the 1957 application.[6] For purposes of determining the state of the prior art, the effective filing date of the claimed subject matter is May 27, 1957.[7] The basis of this conclusion is 35 U. S. C. § 120, which provides:

> "An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an applica-

6 This sufficiently negates any notion that plaintiff abandoned the claimed compound, 3,4-DCPA.

7 See fn. 5, supra.

tion similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

The first paragraph of section 112 requires that the specification of the patent application "contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention."

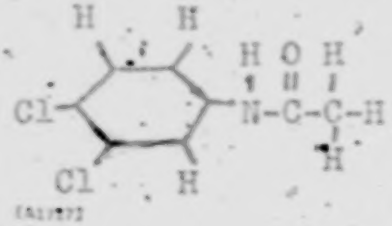
To come within the purview of 35 U. S. C. § 120, the following qualifications must be met by the latter patent application. (1) The same invention must be disclosed. (2) It must be by the same inventor. (3) It must be filed before the patenting of the first application. (4) It must contain a specific reference to the earlier filed application. There are no conditions other than those of section 120. Technicon Instruments Corp. v. Coleman Instruments, 255 F. Supp. 480 (N. D. Ill. 1966), affirmed 385 F. 2d 291 (7th Cir. 1967). These requirements have been fulfilled here. The same invention disclosed in the 1967 application, 3,4-10 P.N. is similarly disclosed in the 1961 and 1957 applications. In each is a written description of the compound, the method of synthesization, and the directions for use, all of which are set forth with sufficient specificity to comply with section 112. Dr. Huffman was named as the inventor in each application. No patent has been granted on any application other than the one made in 1967. Finally, each subsequent application refers to the one immediately preceding it. Consequently, the only prior art references which have been considered are those which predate the filing of the 1957 application.

The next issue raised by defendants is whether or not plaintiff's patent is obvious within 35 U. S. C. § 103. The terms of that provision are:

> "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

In determining section 103's obviousness, the prior art must be considered in its entirety. Deller's Walker on Patents, Vol. 2, sec. 107, p. 114. In this case the entire prior art includes Bicnert, Fonteis, and a closely-related compound which also has herbicidal properties, 3,4-dichloroacetylanalide. At first, the patent examiner rejected plaintiff's 1960 application as being obvious from 3,4-dichloroacetylanalide. To overcome the rejection based on these grounds, plaintiff submitted the affidavit of Dr. Robert Husted which told of the results of various tests comparing the herbicidal effects of 3,4-DCPA, 3,4-DCAA, and other related compounds. The plants to which 3,4-DCPA and 3,4-DCAA were applied included cotton cocklebur, crab grass, barnyard grass, sugar beet, wheat, velvet leaf, rice, wild buckwheat, foxtail, and radish. At one of the rates at which the herbicides were applied, two pounds per acre,

[8] Herein 3,4-DCAA, the structural formula for which is:



3,4-DCPA exhibited with all plants, except for rice and wheat which were unaffected, severe phytotoxicity with the barnyard grass and foxtail and fatal phytotoxicity with the remainder of the plants tested; 3,4-DCAA, however, showed only slight phytotoxicity with most of the plant species, including rice, and no phytotoxicity with the others. On the basis of this information, the patent examiner set aside the earlier rejection and granted the patent.

Before a chemical compound can be held as unobvious over another prior art compound which is closely related structurally as 3,4-DCAA is to 3,4-DCPA, it is necessary that the former possess unexpected beneficial properties in fact not possessed by the latter. In re Henze, 181 F. 2d 196, 37 CCPA 1009 (1959); In re Mod, 408 F. 2d 1055 (CCPA 1969). It is not sufficient that there be merely a difference in degree, In re Henze, *supra*; the claimed compound must be markedly superior. In re Coes, 173 F. 2d 1012, 36 CCPA 1067 (1949). These circumstances are present in this case. 3,4-DCPA does not differ from 3,4-DCAA merely in degree of phytotoxicity, but is markedly superior as to the varieties of plants which are affected by it. The patent examiner correctly concluded that 3,4-DCPA does in fact possess unexpected beneficial properties not obvious from 3,4-DCAA. There is certainly nothing in Bienert or Fontein, considered together, which would alter that conclusion. It is held, therefore, that 3,4-DCPA is not obvious from the prior art.

Notwithstanding this finding of lack of obviousness, defendants urge that the patent is invalid because plaintiff allegedly withheld from the Patent Office certain information tending to show that 3,4-DCPA was obvious from 3,4-DCAA. This information consisted of the results of tests in which 3,4-DCPA and 3,4-DCAA had been applied at two pounds per acre to plant species not mentioned in the Husted affidavit and at rates of application other than that

of two pounds per acre to all plant species tested. Some of the items not mentioned in the affidavit indicate that pigweed is equally vulnerable to both 2,4-DCPA and 2,4-DCAA at two pounds per acre which is sufficient to kill; (2) that at two pounds per acre, 2,4-DCPA exhibits only moderate phytotoxicity on morning glory and wild mustard, phytotoxicity on brome, and (3) that generally 2,4-DCPA is less active at application rates under two pounds per acre. In addition, the Husted affidavit shows that morning is completely killed at two pounds per acre while the test chart, on which the affidavit is based, shows only moderate phytotoxicity at that rate.

The crux of defendants' argument is that plaintiff breached its duty to the Patent Office and to the public by failing to disclose in the affidavit all of the information gained through the tests conducted by Dr. Husted. In effect, they are charging that plaintiff perpetrated a fraud upon the Patent Office. If this is true, then, of course, the patent is unenforceable. Baldwin-Ehret-Hill, Inc. v. Tatnall Meas. Sys. Co., 169 F. Supp. [illegible] (D. Del. 1958), affirmed 268 F. 2d 795 (3rd Cir. 1959); Precision Instr. Mfg. Co. v. Automotive Maintenance Mach. Co., 324 U. S. 806, 65 S. Ct. 993, 89 L. Ed. [illegible] wherein it was held that the equitable doctrine of unclean hands barred plaintiff from recovering against an infringer when the patent was issued upon the basis of perjured testimony and suppression of facts which the Office had reason to know about. To establish fraud it is necessary that defendants prove several elements including the making of false or misleading statements with intent to deceive the patent examiner. Glamorise Foundations Works v. Anchor Hocking Glass Corp., 256 F. Supp. 471 (D. D.C. Del. 1966), rev'd on other grounds, 374 F. 2d [illegible] (3rd Cir. 1967). There is also a further requirement that defendant must prove that the information was [illegible]

the sense that if the patent examiner had known of the additional facts regarding the Husted test, he would not have issued the patent. Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co., *supra*, 169 F. Supp. pp. 24-25; Charles Pfizer & Co. v. Federal Trade Commission, 401 F. 2d 574 (6th Cir. 1968); But Contra, Corning Glass Works v. Anchor Hocking Glass Corp., *supra*. Unless this essential materiality is demonstrated a false statement will not destroy the validity of the patent. Edward Valves, Inc. v. Cameron Iron Works, 286 F. 2d 933, 947 (5th Cir. 1961). The burden on defendants in their efforts to prove fraud is a heavy one. Edward Valves, Inc. v. Cameron Iron Works, *supra*. The law is settled that the proof of fraud must be clear, unequivocal, and convincing and a mere preponderance of the evidence which leaves the issue in doubt may not properly be a basis for a finding of fraud. Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co., *supra*, 169 F. Supp. p. 25. When these guidelines are applied to the present case, the inescapable conclusion is that defendants have failed in their burden of proof. The only misinformation presented to the Patent Office is the degree of phytotoxicity of 3,4-DCPA on radishes. There is no evidence that this small corner of a broad picture presented to the patent examiner materially influenced the decision to grant the patent. The remaining contention on unclean hands relates not to what was said, but rather to what was not said. Defendants have not established that the withholding of this information was done with intent to deceive the Patent Office. They have similarly failed to prove the materiality of the information withheld, that the patent examiner would have rejected the application had he known of the matters said to be withheld as was true in Charles Pfizer & Co. v. FTC, *supra*. To overcome the initial rejection by the patent examiner, it was necessary for plaintiffs to convince her that 3,4-DCPA had properties neither pre-

dictable from, nor in fact possessed by, 3,4-DCAA. By the manner in which they went about this task, plaintiffs did nothing more than put their best foot forward. Defendants' contentions on this point are therefore without merit.

Another ground upon which the validity of plaintiff's patent is attacked is that plaintiff, by waiting until 1967 to make a divisional application focusing upon 3,4-DCPA as a compound are guilty of late claiming and laches.[9] The origin of this "late claiming" defense is found in the Supreme Court's decision in Muncie Gear Works v. Outboard Marine & Mfg. Co., 315 U. S. 759, 62 S. Ct. 865, 86 L. Ed. 1171 (1942). There, it was held that claims added by amendment to a pending application for a patent do not furnish the basis for a valid patent if there was public use or sale of the device which they are claimed to cover more than two years before the first disclosure of the subject matter of these claims to the Patent Office, even though the use or sale was not more than two years prior to the original application.[10] The justification for this rule is that a patentee should not be permitted to claim the invention of another which has gone into public use—that is, to appropriate that which has gone into the public domain for which he was not really responsible. Chicago & N. W. Ry. Co. v. Sayles, 97 U. S. 544, 24 L. Ed. 1053 (1878). See also Webster Elec. Co. v. Splitdorf Elec. Co., 264 U. S. 463, 44 S. Ct. 342, 68 L. Ed. 792 (1924); Pratt & Whitney Co. v. United States, 345 F. 2d 838, 170 Ct. Cl. 829 (1965); Wootfer v. Carlson, 367 F. 2d 436, 54 CCPA 917 (1966); Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts

9. In this context at least, there seems to be no perceivable difference between these two terms.

10. The two year period mentioned in the phrasing of this holding would now be one year by virtue of an amendment to Section 4886, Revised Statutes, an earlier version of 35 U.S.C. Section 102(d).

Co., 153 F. 2d 516 (2nd Cir. 1946); Jones v. Freed-Eiseman Radio Corp., 47 F. 2d 174 (2nd Cir. 1931); Veaux v. Southern Oregon Sales, Inc., 33 F. Supp. 605 (D. Ore. 1940), affirmed 123 F. 2d 455 (9th Cir. 1941). In each of these cases, it was held that patent claims added by way of amendment or division of an original patent application were not valid when (1) the original claims were broadened to include subject matter theretofore not presented and (2) the subject matter had become known to the public before the claims were ever made. Here, 3,4-DCPA was specifically carved out of the parent application in the 1967 division. This represented a narrowing rather than a broadening of the previous applications. These circumstances are controlled by Locklin v. Switzer Bros. Inc., 299 F. 2d 160 (9th Cir. 1961). In that case, the original patent application filed in 1954 claimed a resin useful in the manufacture of pigments in the process of obtaining that resin. These claims did not then provide what amount of melamine was required to render the resin substantially insoluble in aromatic hydrocarbon solvents. Accordingly, the original application was amended in 1957 and the patent was issued upon the amended application. The court held the "late claiming" doctrine of *Muncie Gear Works, supra*, to be inapplicable.

> "Here the feature of insolubility was disclosed in the specifications of the original application, although its bearing upon the critical limit in the amount of melamine was not expressed. We are not then faced with a claim of new matter nor with an attempt to rectify an inadequate disclosure or to appropriate subsequent developments or discoveries. The amendment actually amounted to no more than a narrowing of the claims to articulate a limitation implicit in the specifications but not explicit in the claims themselves. The circumstances under which the amendment was filed would indicate that it resulted from the ordinary give and take of Patent Office procedures: the shaping of the

> expression of that which was sought in order to make it conform appropriately to that which it was felt could properly be granted. "We conclude under these circumstances that no intervening public rights can be said to have attached to the insolubility feature of the Kazenas patent or to the matters incorporated in the claims by amendment * * *." (299 F. 2d 167)

Plaintiffs are not guilty of either late claiming or laches.

Before this opinion is concluded, it should be added that the possible effect of the decision in Monsanto Co. v. Rohm & Haas Co., 312 F. Supp. 778 (E. D. Pa. 1970) upon the result here reached has been carefully considered. Even though there is an identity of subject matter between that case and this one, the fact nevertheless remains that there is no identity between the parties defendant, nor for that matter is there any privity between the parties defendant in each respective action. Moreover, the defendants here have placed greater emphasis on certain prior art items, namely, Bienert and Fontein, than did the defendants in Monsanto Co. v. Rohm & Haas, Co., *supra*, though it is not clear whether the court in that case had exactly the same evidence before it as was offered here. The result on the issues resolved in Monsanto Co. v. Rohm & Haas Co., *supra*, does not therefore relieve this Court of its judicial travail of reaching its own independent decision on the merits of the case between these parties and on this record, even though this brings about diametrically opposed decisions on the validity of the same patent against the same attack. There is no res judicata or estoppel by judgment flowing from the earlier decision precluding plaintiff from its day in court against these defendants. Bros, Inc. v. W. E. Grace Mfg. Co., 351 F. 2d 208 (5th Cir. 1965); Edward Valves, Inc. v. Cameron Iron Works, *supra*; Graham v. Cockshutt Farm Equipment, 256 F. 2d 358 (5th Cir. 1958); Miles v. Mathews, 171 F. 2d 38 (5th Cir. 1948).

For the reasons discussed herein, a decree will be entered enjoining defendants, their officers, servants, employees, and agents from infringement of Letters Patent No. 3,382,280. Judgment will be entered for Monsanto on defendants' counterclaim. Monsanto's request for attorneys' fees is denied, this case not being an exceptional one within the meaning of Title 35, section 285. The Clerk of this Court is directed to file this Memorandum and Order and forward copies to the attorneys of record. This Memorandum and Order constitutes this Court's findings of fact and conclusions of law.

Counsel for Monsanto is directed to prepare a Final Judgment in accordance with this Memorandum and Order and submit same to the Court by May 4, 1970 for entry, after first obtaining approval as to form from counsel for defendants.

Decision in Monsanto Company v. Rohm & Haas Company.

United States District Court,
E. D. Pennsylvania.

MONSANTO COMPANY

vs.

ROHM AND HAAS COMPANY.

Civ. A. No. 68-1269.

Feb. 17, 1970.

As Amended March 2 and March 4, 1970.
Supplemental Opinion May 24, 1970.

FINDINGS OF FACT, OPINION, CONCLUSIONS OF LAW, AND ORDER.

MASTERSON, *District Judge.*

A. NATURE OF ACTION AND JURISDICTION.

1. Plaintiff (hereinafter "Monsanto") is a Delaware corporation with its principal place of business in St. Louis, Missouri. Defendant (hereinafter "Rohm and Haas") is a Delaware corporation with its principal place of busi-

ness in Philadelphia, Pennsylvania. (Final Pre-Trial Order, p. 1).[1]

2. This action arises under the patent laws of the United States and this Court has jurisdiction over the parties and the subject matter thereof under 35 U. S. C. § 271 and 28 U. S. C. §§ 1338 and 1400. (PTO, p. 1).

3. The action involves the validity, enforceability and infringement of plaintiff's United States Letters Patent No. 3,382,280, issued May 7, 1968, entitled "3',4'-dichloropropionanilide".[2] (Plaintiff's Exhibit No. 1).[3]

4. Monsanto has sued Rohm and Haas for damages for its alleged infringement of the above patent and also asks for an injunction against further infringement.

Rohm and Haas has counterclaimed, first for a declaratory judgment of invalidity, noninfringement and unenforceability of said patent (paragraphs 12 through 14 of its Answer and Counterclaims), and secondly for an injunction against and damages for plaintiff's allegedly unfair competitive acts against defendant's manufacture and sale of its allegedly infringing compound (paragraphs 15 through 20 of its Answer and Counterclaims). The foregoing injunction would, *inter alia*, prevent plaintiff from asserting the patent in suit against defendant and its customers. Those issues affecting the extent of defendant's liability have been deferred to an accounting, to be had in the event of an appellate or unappealed decision in favor of plaintiff. Those issues arising under defendant's second

1. Hereafter, this source will be designated "PTO" followed by reference to the particular page or section and paragraph number of the particular attachment from which the Finding is drawn.

2. Hereafter, references to this chemical compound will be made in the shortened forms of "3,4-DCPA" or "propanil".

3. Hereafter, plaintiff's exhibits will be designated "PX" and defendant's exhibits "DX" followed by the number of the particular exhibit in question.

Counterclaim, paragraphs 15 through 20 in the Answer and Counterclaims, have been deferred to a separate trial to be had after a final determination of the patent infringement issue. (PTO, pp. 1-2).

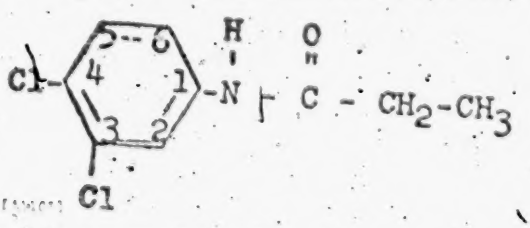
Rohm and Haas has stipulated that if plaintiff's patent is valid and enforceable, it is guilty of infringement (PTO, Agreed Statement of Contested Legal and Factual Issues) since it manufactures 3,4-DCPA in the Philadelphia area and the compound is formulated into a product called STAM F-34 containing three pounds of 3,4-DCPA per gallon.

Hence, the case before this Court has resolved itself into a legal and factual dispute over the validity and enforceability of Monsanto's patent.

5. The trial in this case was extensive, commencing on November 12, 1969, and concluding on November 19, 1969. The Court entertained argument on the legal issues involved on November 24, 1969. The transcript of the trial record comprises about 1,000 pages and multiple exhibits. The testimony at trial concerned technical matters, and conflicts therein were resolved only after careful consideration of the most credible evidence, both testimonial and documentary.

B. Chemical Facts and Definitions.

6. 3,4-DCPA is a chemical compound which has the structural formula (PTO, Uncontested Fact No. 14, in part)



This chemical is a member of a class of compounds known as "anilides". It is a "dichloro" compound since the

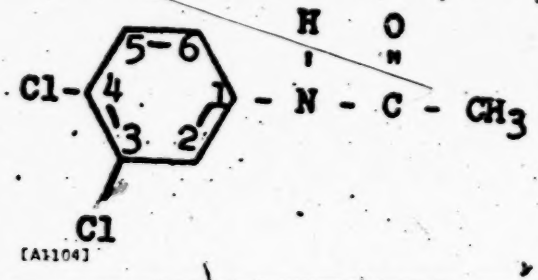
3,4-DCPA molecule includes two chlorine atoms; hence it is a "dichloroanilide". The numbers 3 and 4 refer to the particular corners of the hexagonal ring of carbon atoms (benzene ring) to which the chlorine atoms are attached. By an accepted chemical numbering system, the corners of this ring may be numbered as indicated in the formula. (PTO, Uncontested Fact No. 15).

7. 3,4-DCPA is marketed extensively by both parties as a selective post-emergence herbicide. (PTO, Uncontested Facts Nos. 41 and 43).

A "selective post-emergence herbicide" is one which, when applied after emergence to a crop and weeds normally associated therewith, substantially destroys the weeds without adversely affecting the crop. (McRae, Notes of Trial Testimony 304).

8. A "homolog" of 3,4-DCPA is a chemical compound of the same series as 3,4-DCPA, whose structure differs from 3,4-DCPA in that it contains a different number of $-CH_2-$ groups. A "higher" homolog of 3,4-DCPA has more $-CH_2-$ groups, and a "lower" homolog has fewer $-CH_2-$ groups. When a homolog of 3,4-DCPA differs in structure from 3,4-DCPA by only one more or one less $-CH_2-$ group, it is an "adjacent" or "next" homolog of 3,4-DCPA. (PTO, Uncontested Fact No. 29).

9. 3',4' -dichloroacetanilide[4] has the structural formula It is the adjacent or next lower homolog of 3,4-DCPA

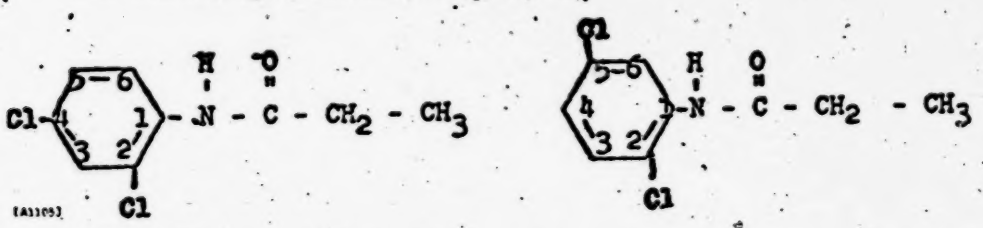


4. Hereafter, reference to this chemical compound will be made in the shortened form of "3-4-DCAA".

since it differs in structure solely by having one less - CH_2 - group. (PTO, Uncontested Fact No. 30).

10. An "isomer" of 3,4-DCPA is a chemical compound having the same composition as 3,4-DCPA, i.e., the same kinds and numbers of atoms, but with those atoms differently arranged in the molecule. A "ring position" isomer of 3,4-DCPA is a chemical compound having the same basic propionanilide structure and number of chlorine atoms attached to the benzene ring, but having at least one of the chlorine atoms affixed to a different corner of the benzene ring. (PTO, Uncontested Fact No. 31).

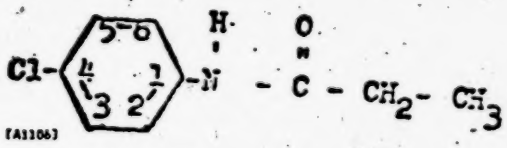
11. 2′,4′ -dichloroproprionanilide and 2′,5′ -dichloropropionanilide are ring position isomers of 3,4-DCPA and have the following formulae, respectively



(PTO, Uncontested Fact No. 32)

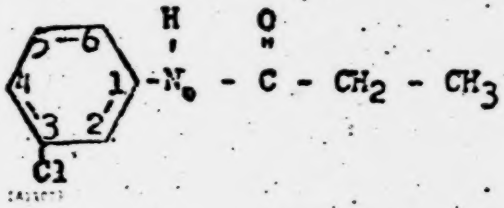
12. An "analog" of 3,4-DCPA is a compound which is not a homolog or isomer of 3,4-DCPA although its structure is closely related to, but different from, the structure of 3,4-DCPA. (PTO, Uncontested Fact No. 33).

13. 4′ -chloropropionanilide has the structural formula



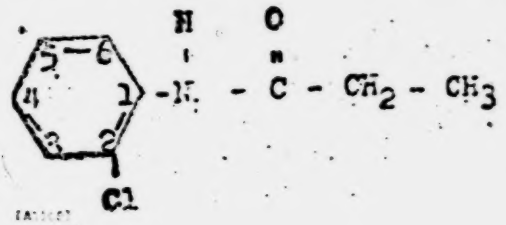
It is an analog of 3,4-DCPA. Accepted technical names for 4′ -chloropropionanilide are p-chloropropionanilide and para-chloropropionanilide. (PTO, Uncontested Fact No. 34).

14. 3′ -chloropropionanilide has the structural formula



It is an analog of 3,4-DCPA. Accepted technical names for 3′ -chloropropionanilide are m-chloropropionanilide and meta-chloropropionanilide. (PTO, Uncontested Fact No. 35).

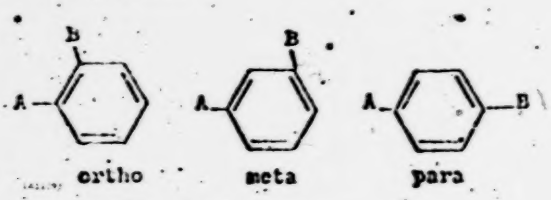
15. 2′ -chloropropionanilide has the structural formula



It is an analog of 3,4-DCPA. Accepted technical names for 2′ -chloropropionanilide are o-chloropropionanilide and ortho-chloropropionanilide. (PTO, Uncontested Fact No. 36).

16. Ortho-, meta- and para- compounds are substituted products derived from benzene in which two of the substituting radicals or groups are structurally placed in certain defined positions on the benzene nucleus. When two substituting groups (A and B) are in such position that they are attached to adjoining carbon atoms of the benzene nucleus, they are said to be in ortho- or o-position to each other. If A and B are so attached that they have a third carbon atom of the nucleus between them, a meta- or m-compound results. If A and B are attached to opposite atoms in the nucleus (two other carbon atoms between

them), a para- or p- compound results. The following formulae are illustrative:



(PTO, Uncontested Fact No. 37)

C. The Patent in Suit

17. The patent in suit, No. 3,382,280, issued May 7, 1968 on an application filed in the Patent Office on February 3, 1967 bearing Serial No. 613,738. (PTO, Uncontested Fact No. 1, in part).

18. The patent in suit contains a single claim which reads "3',4' -dichloropropionanilide". It states that 3,4-DCPA possesses "unusual and valuable herbicidal activity" (PX-1, col. 1, lines 44-55) whereas "related compounds possess little or no herbicidal efficiency" (PX-1, col. 3, line 73). The patent granted is 3,4-DCPA, per se, without restriction to its "unusual and valuable herbicidal activity". If this patent is sustained, it would entitle Monsanto to exclude 3,4-DCPA from the public domain until May 7, 1985. (35 U. S. C. § 154).

19. Monsanto filed two other applications relevant to the case at bar prior to its 1967 application. (DX-2 and DX-3). In each of Monsanto's three applications, Dr. Clarence Huffman was named as the inventor. (PTO, Uncontested Fact No. 5, in part).

20. In 1958, through 1962, Rohm and Haas attempted to patent 3,4-DCPA as a compound and the patent office rejected its claim as unpatentable over the prior art. (See PTO, Uncontested Facts Nos. 49, 60, 61).

F. Monsanto's First Application.

21. The first Huffman application, Serial No. 661,575 (DX-3), was filed on May 27, 1957. It claimed both the herbicidal compositions of chemical compounds and the use of these compounds to destroy undesired plants. (DX-3, pp. 21-24).

22. At no time during the prosecution of Huffman's first application were any claims presented to the Patent Office directed to a chemical compound per se. (PTO, Uncontested Fact No. 8). Such claims were included in a draft of this application but were omitted by Monsanto from the application as filed. (DX-54; Peterson, designated Deposition 175-176;[5] Huffman, Notes of Trial Testimony 181-182, 185-186).[6]

23. This application disclosed a large class of 3,4-dihalogenated anilides, including 3,4-DCPA, and also stated that the members of said class possessed "unusual and valuable herbicidal activity." (PTO, Uncontested Fact No. 7, in part). This 1957 application asserted that each compound included within the huge class of anilides (McRae, N. T. 333-34; Price, N. T. 492) possessed "unusual and valuable herbicidal activity" (DX-3, p. 2, lines 1-4), while related compounds possessed "little or no herbicidal efficiency" (DX-3, p. 12, lines 1-19). Huffman confirmed this "unusual and valuable herbicidal activity" of all compounds included within the broad claim language (Huffman, N. T. 144, 156-8, 166-71, 174).

24. A somewhat narrower class of 3,4-dichloroanilides comprising about one hundred compounds was also disclosed in the 1957 application, each member of which was

5. Hereafter, depositions designated by the parties as part of the record in this case will be referred to as "Dep."

6. Hereafter, references to the Notes of Trial Testimony will be abbreviated "N. T."

stated to possess "outstanding utility" as a herbicide (DX-3, p. 3, lines 1-5; Huffman, N. T. 171-2). This class included not only 3,4-DCPA but also its adjacent lower homolog, 3,4-DCAA.

25. The 1957 application not only stated that all the 3,4-dihaloanilides disclosed had "unusual and valuable herbicidal activity" but also referred to the activity as post-emergence or pre-emergence, selective or non-selective —"just any and all kinds of activity" (Huffman, N. T. 144-45).

26. The United States Patent Office, in four separate office actions, rejected all of Huffman's claims, both those embracing methods of using and compositions containing 3,4-DCPA, as unpatentable over the prior art disclosures (DX-3, pp. 26-7, 34-5, 45-6, 51-2).

II. Monsanto's Second Application.

27. On May 8, 1961 Monsanto filed a second application in Huffman's name as a continuation-in-part of its 1957 application and thereupon abandoned the latter. This second application also claimed both the compositions of herbicidal compounds and the use of those compounds to destroy undesired plants. (DX-2).

28. The 1961 application disclosed a large class of 3,4-dihalogenated anilides, including 3,4-DCPA and 3,4-DCAA, and also stated that the members of said class possessed "unusual and valuable herbicidal activity", and that 3,4-DCPA, 3'4'-dichloroisobutryanilide and 3'4' -dichloromethacrylylanilide were useful as selective post-emergent herbicides for rice. (Uncontested Fact No. 9, in part).

29. Rohm and Haas' South African Patent No. 309/59 describing and claiming 3,4-DCPA as selective, post-emergence herbicide was granted in May, 1959. Monsanto had

obtained a copy of this patent by September 10, 1959. (PTO, Uncontested Fact No. 22). In January, 1960, representatives of Monsanto attended the Southern Weed Conference where a report by Dr. Roy Smith of the U. S. Department of Agriculture was given describing 3,4-DCPA as a selective, post-emergence herbicide for the control of weeds in rice. A printed report by Dr. Roy Smith, entitled "Proceedings, Thirteenth Annual Meeting of the Southern Weed Conference", describing 3,4-DCPA as a selective post-emergence herbicide for the control of weeds in rice was published in April, 1960. (PTO, Uncontested Fact No. 23). Monsanto learned as early as April 7, 1961 that Rohm and Haas has sold 3,4-DCPA as a selective, post-emergence herbicide. (PTO, Uncontested Fact No. 26).

30. The 1961 Huffman application was filed more than twenty months after issuance of Rohm and Haas' South African patent, more than fifteen months after Monsanto attended the Southern Weed Conference, thirteen months after publication of the weed conference proceedings and one month after Monsanto had learned that Rohm and Haas had begun selling 3,4-DCPA as a post-emergence, selective herbicide. (Findings of Fact Nos. 27 and 29).

31. The Patent Office rejected the claims of this second application as unduly broad and unpatentable over the prior art (DX-2, pp. 29-31, 44-46).

32. No claim in Dr. Huffman's second application as filed was directed to a chemical compound per se. On November 14, 1962, the Patent Office suggested to Monsanto an allowable claim "for purpose of interference", which claim corresponded to claim 9 of Wilson et al's patent application Serial No. 96,089 filed March 16, 1961 by Wilson and McRae, assignors to Rohm and Haas. This was the first claim to a method of using or a composition containing 3,4-DCPA which was indicated as allowable either to

Monsanto or Rohm and Haas during the prosecution of any of their patent applications. The claim read as follows:

> "A method for selectively inhibiting growth of undesirable plants in an area containing growing undesirable plants in an agronomic crop, which comprises applying to said area 3,4-dichloropropionanilide at a rate of application which inhibits growth of said undesirable plants and which does not adversely affect the growth of said agronomic crop." (PTO, Uncontested Fact No. 10)

33. Interference No. 93,751 was declared August 21, 1963, to determine who was the first to invent the method of claim recited in Finding of Fact 32 (PTO, Uncontested Fact No. 62, in part). During the interference, in conjunction with its motion to add counts, Monsanto submitted an amendment on March 30, 1964, to include in its 1961 application the claim "the compound 3',4' -dichloropropionanilide" (claim 24) (DX-2, p. 63). This amendment was not entertained by the patent office which denied the motion to add (DX-2, p. 65). Monsanto delayed for almost three additional years, i. e., until it filed DX-1, the third Huffman application, in February 1967, any attempt to patent 3,4-DCPA as a compound.

III. Monsanto's Third Application.

34. The third Monsanto application, which issued as the patent in suit, was filed on February 3, 1967. This third application was examined by a different examiner than its two previous applications (Cole, N. T. 788).

35. Unlike the two earlier Monsanto applications, the 1967 one asserted that only 3,4-DCPA had "unusual and valuable herbicidal activity" (DX-1, pp. 1-2). Monsanto asserted that the activity of this new compound was "surprising" because "related compounds possess little or no

herbicidal efficiency" (DX-1, p. 7, lines 1-2). Monsanto listed "some" of these related compounds in the 1967 application (DX-1, p. 71), but omitted reference to more closely related compounds described in its earlier applications as having "unusual and valuable herbicidal activity" (Huffman, N. T. 100-101, 160-4, 169-70).

36. The new Examiner rejected the single compound claim in the 1967 Monsanto application as obvious over the prior art disclosing homologs and isomers of 3,4-DCPA, including 3,4-DCAA and 2,4-dichloropropionanilide (DX-1, p. 19).

37. In its attempt to persuade the Patent Office that 3,4-DCPA was patentable over such prior art compounds, Monsanto, in the course of prosecuting this third application, filed on or about November 9, 1967, the affidavit of Dr. Robert F. Husted. (DX-1, pp. 47-50). This affidavit was drafted by one of Monsanto's patent attorneys and was based upon tests performed by Dr. Husted on about 20 plant species at three different rates of application per acre. The results of these tests were reported by Husted to counsel by letter with attached charts (DX-22). The affidavit only reports the results of tests of *10 compounds applied to 11 plant species at the rate of 2 lbs. per acre of application.* The results were that 3,4-DCPA completely killed or severely injured 9 of the 11 species and failed to have any effect on only 2. By contrast, 8 other compounds were reported to have no effect on any of the 11 plants and two other compounds, one of them 3,4-DCAA, either had very slight effect or no effect.

A comparison of the affidavit (DX-1, pp. 47-50) with the letter and charts forwarded to counsel by Husted (DX-22) reveals the following (Cole, N.T. 787-813):

1. The affidavit states that 3,4-DCPA completely kills radishes at 2 lbs. per acre, earning a "4" rating (DX-1

sentation to the patent office, taken as a whole, not misleading.

38. About 3 months after the filing of the Husted affidavit, on February 20, 1968, Monsanto was notified that its claim to 3,4-DCPA was allowed by the Patent Office (DX-1, p. 57), and on May 7, 1968, the patent was issued.

D. The Prior Art.

39. The following are patents and printed publications which were patented or published before May 27, 1956:

a) Bienert Patent No. 2,133,340, dated October 18, 1958 (DX-68)

b) FIAT Final Report No. 1313, dated February 1, 1948 (PB 85172), cover page and pp. 273, 321 and 575 (DX-69)

c) Foutein Recueil Des Travaus Chimiques Des Pays Bas 47, pp. 635-667 (1928) (DX-70)

d) Chattaway, J. Chem. Soc. Trans. 81, pp. 637-44 (1902) (DX-71)

e) Beilstein, Handbuch der Organischen Chemie, 4th Ed., Vol. 12, pp. 622-29, Berlin, Springer (1929) (DX-72)

f) Shaw et al. "Weeds", Vol. 2, pp. 43-65 (1953) (DX-73)

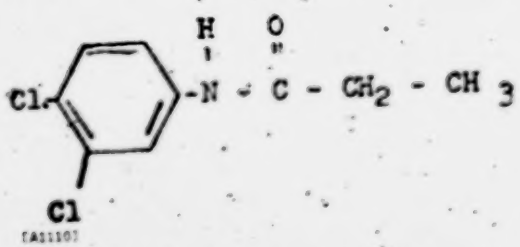
g) "Plant Regulators" CBCC, Positive Data Series No. 2, June 1955, Publication 384, cover page and pp. a, b, c, l. 39 and 40 (DX-74)

h) Todd Patent No. 2,655,445, dated October 13, 1953 (DX-75)

i) King Chemicals Evaluated as Insecticides and Repellants at Orlando, Fla., U. S. Department of Agriculture Handbook No. 69, pp. 2, 3, 24, 25 and 285, Wash., D. C., U. S. Government Printing Office, 1954 (DX-83).

(PTO, Uncontested Fact No. 39)

40. These references do not recite the specific name "3'4'-dichlorpropionanilide" as such, nor do they portray the following specific chemical structure:



(PTO, Uncontested Fact No. 28, in part)

41. All six of the homologs, isomers, and analogs of 3,4-DCPA set out in Findings 9, 11, 13, 14 and 15 above, as well as seven others, were specifically described in the published prior art before May 27, 1956 (PTO, Uncontested Fact No. 38). These homologs, isomers and analogs implicitly describe 3,4-DCPA and its formula to one skilled in the art (McRae, N.T. 341-346; Price, N.T. 544-62, 565).

42. The prior art homologs, isomers and analogs described in the preceding Findings rendered the chemical compound 3,4-DCPA structurally obvious to a person having ordinary skill in the art at the time the alleged invention was made. (McRae, N.T. 341-46; Urry, N.T. 867-68).

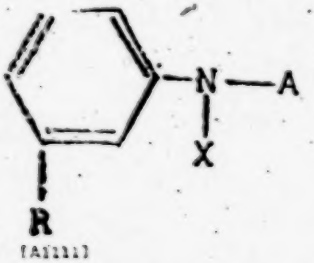
43. Bienert specifies that the acylamino group can be either acetylamino or propionylamino (DX-68, p. 1, col. 2, lines 1-12). The small number of so-described 3,4-dichlorobenzenes would, to a chemist skilled in the art, include 3,4-DCPA and 3,4-DCAA, although these specific formulae were not recited by Bienert. The procedure taught in this patent to make the described pigments can start with either 3,4-DCAA as shown by FIAT Final Report No. 1313, dated February 1, 1948 (DX-69), or with 3,4-DCPA, the next higher homolog of 3,4-DCAA, to produce phthalocyanine

pigments having "extremely close" properties (Price, N.T. 522-33; Urry, N.T. 901-02). 3,4-DCPA was used by Dr. Price in the reaction disclosed by FIAT and a pigment was obtained having properties "very similar" to those of the pigment made from 3,4-DCAA.

(Price, N.T. 534-39).

44. Chattaway, J. Chem. Soc. Trans. 81 (1902), pages 637-644, (DX-71), describes the migration of a chlorine atom from the nitrogen to the para and then the ortho positions in propionanilide and chlorinated propionanilides, including that derived from 3-chloroaniline wherein the meta position is already substituted by chlorine (page 637). The products obtainable by Chattaway's method constitute a small group of ten chloropropionanilides, one of which is 3,4-DCPA obtained from 3-chloroaniline. (Price, N.T. 548-49, 552). The reaction that Chattaway gives is very similar to the one that can be applied to the production of propanil. (Urry, N.T. 904-05).

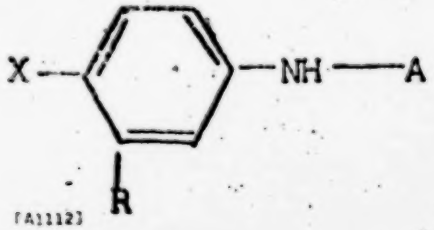
45. Fontein, Recueil Des Travaux Chimiques Des Pays Bas 47 (1928), pages 635-667, (DX-70), describes the reaction velocity measurement of intramolecular changes in a group of compounds having the formula:



[A11111]

wherein X is chlorine or bromine, A is formyl, acetyl, propionyl, butyryl or benzoyl, and R is hydrogen, chloro, bromo or methyl (page 638). The changes under study are migra-

tion of X from the nitrogen atom (N) to the 4- or para-position on the phenyl nucleus thereby producing compounds having the formula:



[A1112]

wherein X, R and A are defined as above (pages 644, 654, 657, 663). Fontein indicated a preference for compounds of this second formula wherein X is chlorine and included specific reference to the production of 3,4-DCAA (page 663). (Price, N.T. 560; Urry, N.T. 905). Using propionyl in lieu of acetyl, 3,4-DCPA will be obtained (Price, N.T. 560-61; Urry, N.T. 906-07).

46. 3,4-DCAA is a prior art compound, specifically described in the literature before Huffman first prepared 3,4-DCPA.

47. Both 3,4-DCAA and 3,4-DCPA have properties which make them useful in the production of pigments (See Finding of Fact No. 43, *supra*).

48. Both 3,4-DCAA and 3,4-DCPA have herbicidal properties (See DX-22; Findings of Fact Nos. 23, 24 and 37, *supra*).

49. The use of 3,4-DCAA and 3,4-DCPA as selective post-emergent herbicides was not revealed or in any way suggested in the prior art before May 27, 1956.

OPINION.

The parties have submitted an agreed statement of contested legal issues in this case. (PTO, Agreed Statement of Contested Legal and Factual Issues). We will decide the following issues:[7]

(1) Was the chemical compound 3,4-DCPA *obvious* within the meaning of 35 U. S. C. § 103?

(2) Did Monsanto *deliberately misrepresent, or withhold material facts in order to mislead the patent office* during the prosecution of the patent in suit so as to render the patent invalid or unenforceable?

(3) Did Monsanto *constructively abandon* its application for a patent or was it guilty of *laches* in asserting any right it had to a patent?

(4) Was the chemical compound 3,4-DCPA *anticipated* within the meaning of 35 U. S. C. § 102(a) and (b)?

(5) Did Monsanto fail to comply with 35 U. S. C. § 112?

1. Obviousness.

Under 35 U. S. C. § 103, a patent may not be obtained "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains". Within the framework of this general rule, a line of cases has developed concerning the obviousness of an allegedly new chemical compound where an isomer, analog or homolog of that compound has been disclosed in the prior art.

The genesis of these cases is Application of Henze, 184

7. The only issue we are not deciding is whether Dr. Huffman was the inventor of the compound in question.

F. 2d 196, 37 CCPA 1009 (1950).[8] In that case, the applicant sought to patent a certain chemical compound over its prior art homolog because the claimed compound was found to possess a new property. The prior art homolog also possessed this "new" property, though the property was not described in the prior art. The Court of Customs and Patent Appeals affirmed the rejection of the applicant's claim, holding that a presumption of unpatentability arises where the homolog of a claimed compound is disclosed in the prior art. To rebut this presumption it must be shown "that the claimed compound possesse[d] unobvious or unexpected beneficial properties not actually possessed by the prior art homologue. It is immaterial that the prior art homologue may not be recognized or known to be useful for the same purpose or to possess the same properties as the claimed compound." 181 F. 2d at 201.

The theory underlying the *Henze* rule is basic to the law of patents, namely that an old product with a new use cannot be patented but rather the new use must be patented. More specifically, the theory of *Henze* is that a compound and its homolog are so close chemically that where the homolog is disclosed in the prior art and has *in fact* the "new" property of the claimed compound, the claimed compound is in the public domain for all purposes and can no longer be patented as a compound regardless of newly discovered properties. The applicant in this situation is protected by the patent law, however, because he may patent the newly discovered use.

Numerous cases have arisen since *Henze* with similar factual situations.[9] Plaintiff argues that some of these

8. See also In re Hass, 141 F. 2d 122, 31 CCPA 895 (1944).

9. Many of these cases are cited and discussed in In Re Papesch, 315 F. 2d 381, 51 CCPA 1084 (1963), and Commissioner of Patents v. Deutsche Gold-und-Silber-Scheideanstalt Vormals Roessler, 130 U. S. App. D. C. 95, 397 F. 2d 656 (1968). There is little we can add to these exhaustive opinions.

cases, particularly In re Papesch, 315 F. 2d 381, 50 CCPA 1084 (1963) and Commissioner of Patents v. Deutsche Gold- und-Silber-Scheideanstalt Vormals Roessler, 130 U. S. App. D. C. 95, 397 F. 2d 656 (1968), have so watered down *Henze* that it is no longer the applicable law. While we find that the cases subsequent to *Henze* are not easily reconcilable, if reconcilable at all, we disagree with plaintiff's contention and conclude that *Henze* is still the controlling law in this area.

This conclusion is buttressed by the recent case of In re Mod, 408 F. 2d 1055 (C. C. P. A. 1969). In that case, the applicants sought to patent certain compounds over a prior art disclosure of isomers and homologs on the ground that the claimed compounds possessed a novel property not disclosed by the prior art. The patent examiner found that the prior art homologs and isomers possessed the same novel property as the claimed compounds and, relying on *Henze*, rejected the applicants' claims as obvious. The Board of Patent Appeals affirmed the examiner. The Court of Customs and Patent Appeals affirmed the Board of Patent Appeals on the grounds that (1) the claimed compounds and the prior art compounds possessed a close structural relationship *and* (2) the claimed compounds possessed the same properties as those for which the prior art compounds were useful. This decision reaffirms at least the theory underlying *Henze* and would appear to add another factor to consider in this area, namely whether the new compound possessed the same property which the prior art compound was known to possess. *Henze*, it will be remembered, held that the important factor in deciding patentability was whether the prior art compound possessed the same "new" property as the claimed compounds, though this "new" property was not disclosed in the prior art. *Mod* would appear to take the other side of that coin

in relying on the fact that the allegedly new compound has the same property for which the prior art compounds were known. In final analysis, the combined effect of *Mod* and *Henze* seems to be that a compound is unquestionably in the public domain and cannot be patented, even though it possesses properties not disclosed by the prior art, if:

(1) the claimed compound is structurally obvious from prior art homologs, isomers and analogs;

(2) the claimed compound possesses the same property for which the prior art compounds were useful; and

(3) the prior art compounds in fact possess the newly discovered property of the claimed compound.

In the case before us, all three of the above factors are present: (1) 3,4-DCPA is structurally obvious from its prior art homolog, 3,4-DCAA, as well as from its isomers and analogs (Finding of Fact No. 42);

(2) Both 3,4-DCAA and 3,4-DCPA are useful in the production of pigments (Findings of Fact Nos. 43 and 47);

(3) Both 3,4-DCAA and 3,4-DCPA have herbicidal properties (Finding of Fact No. 48).

Under these circumstances we hold that the compound 3,4-DCPA is "obvious" within the meaning of 35 U. S. C. § 103. As a compound 3,4-DCPA was for all purposes in the public domain and cannot be patented as a compound. As we have noted above, the inventor of the novel property of the compound is not without recourse since he may patent the use of 3,4-DCPA as a selective post-emergence herbicide.

Plaintiff further argues that even though 3,4-DCPA and 3,4-DCAA both have herbicidal properties, 3,4-DCPA is so far superior to 3,4-DCAA in terms of usefulness as a herbicide that plaintiff's patent is justifiable on this ground. While this argument may be compelling in the market

place, we do not find it compelling as a matter of patent law in this case. In *Henze* and In Re Coes, 173 F. 2d 1012, 36 CCPA 1067 (1949), the courts held that the unobvious properties of the claimed compound must be "markedly superior" to the prior art compounds, and not merely different in degree, in order to justify a patent on the compound. The reason for this rule was stated by *Henze* as follows: "[T]he characteristics normally possessed by members of a homologous series are principally the same, and vary but gradually from member to member. Chemists knowing the properties of one member of a series would in general know what to expect in adjacent members". 181 F. 2d at 201. We find both the rule and reason for it applicable here. Monsanto, in its earlier applications, stated that 3,4-DCAA had unique herbicidal value (see Findings of Fact Nos. 24 and 28). Moreover, Monsanto by its very own tests shows that 3,4-DCAA has some herbicidal value (see DX-8 and DX-22), depending on the rate of application and the plant species to which it is applied. Hence, the difference between 3,4-DCPA and 3,4-DCAA is only one of degree and the value of each as a herbicide depends to a large extent on rate of application and the plant to which it is applied. A patent monopoly on the substance of 3,4-DCPA cannot be justified because it is a better or more useful herbicide at some rate of application on certain plants.

As we have noted above, plaintiff's argument that *Henze* is no longer the controlling law in this area is primarily based on the cases of In Re Papesch, supra, and the *Deutsche* case, *supra*. We feel that these cases are distinguishable from *Henze* and *Mod*. Those cases dealt with the situation of the claimed compound being structurally obvious from the prior art compounds. They did *not* involve the similarity of properties which we have before us. *Papesch* and *Deutsche* stand for the proposition that the

structural obviousness of the claimed compound from prior art compounds is insufficient *by itself* to find that the subject matter as a whole is obvious within the meaning of 35 U. S. C. § 103. As we have discused above, this case is more than just a case of structural obviousness.

Moreover, even if this were only a case of structural obviousness, we would be disposed to hold that this in and of itself should preclude issuance of a patent. It is basic to the grant of a patent that the scope of a patent should not exceed the scope of invention. If what makes a structurally obvious chemical substance patentable is the new and unobvious properties or uses discovered by the first person to compound the substance, the discoverer should have protection on what he discovered, *i.e.*, the new properties of the substance, but should not be entitled to a 17-year monopoly on the substance itself. To say that a person who has discovered a new use for a structurally obvious compound, which compound would not have been entitled to any patent protection absent the new use, should receive a patent on the compound itself is to extend the patent monopoly far beyond the reason for its existence. We think that the purposes of the patent law will be adequately served if patents on compounds which are structurally obvious from the prior art are limited to method patents directed to the new and useful characteristic or property which is the essence of the discovery or invention. In this case the actual advance of the art is the discovery of 3,4-DCPA as a herbicide. This fact was neither obvious nor predictable from the prior art. To a reasonably skilled chemist, the chemical formula and structure of 3,4-DCPA was obvious from the formula and structure of 3,4-DCAA. Such a chemist would also expect both compounds to have similar properties. Both compounds can be easily produced by using known chemicals and methods of synthesis. Hence

there was nothing characteristic of invention in the routine compounding of 3,4-DCPA. Dr. Huffman himself testified that 3,4-DCPA was synthesized by his assistant using old and known methods and compounds (Huffman, N. T. 37). The "invention" was discovering 3,4-DCPA's peculiar characteristics as a herbicide. The question of whether Dr. Huffman is entitled to a process patent on the use of 3,4-DCPA as a herbicide is now before the patent office in an interference involving the same parties and is not before this court.

II. Misrepresentation.

Defendant secondly alleges that Monsanto's patent is invalid because Monsanto withheld from the patent office material facts which made its application, taken as a whole, misleading. More specifically, Rohm and Haas alleges that Monsanto, in its attempt to persuade the patent office of the unobviousness of 3,4-DCPA as a herbicide, deliberately failed to present complete data with respect to the herbicidal efficacy of closely related compounds, thereby intending to mislead the patent office. These facts are material, it is argued, because had they been presented no patent would have issued.

The facts most relevant for the purposes of this issue may be found in Finding of Fact No. 37.[10] It is our conclusion that Rohm and Haas has proved that the Hunter affidavit, filed on November 9, 1967, presented to the patent office incomplete data, carefully and intentionally chosen to support the position that 3,4-DCPA possessed unique herbicidal properties not possessed by closely related compound. Although the affidavit contains no affirmative mis-

10. See also Finding of Fact No. 35.

material because it placed substantial weight on the Husted affidavit when, after first rejecting the claim, it decided to issue a patent 3 months after the Husted affidavit was filed.[13]

The above facts raise the question of whether a patent is invalid because the applicant intentionally fails to state material facts in order to mislead the patent office. We have decided that this question must be answered in the affirmative.

Under the decisions of the Supreme Court, one who is sued for patent infringement may challenge the validity of the patent on the ground that it was fraudulently procured or because the patentee was guilty of some other inequitable conduct or bad faith in his proceedings before the patent office. Walker Process Equipment, Inc. v. Food Machinery & Chemical Corp., 382 U. S. 172, 86 S. Ct. 347, 15 L. Ed. 2d 247 (1965); Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U. S. 806, 65 S. Ct. 993, 89 L. Ed. 1381 (1945); Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U. S. 238, 64 S. Ct. 997, 88 L. Ed. 1250 (1944); Keystone Driller Co. v. General Excavator Co., 290 U. S. 240, 54 S. Ct. 146, 78 L. Ed. 293 (1933). See also Chas. Pfizer & Co. v. FTC, 401 F. 2d 574 (6th Cir. 1958), *cert. denied*, 394 U. S. 920, 89 S. Ct. 1195, 22 L. Ed. 2d 453 (1969); Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., 218 F. Supp. 1, 46 (D. C. Md. 1963),

13. Although Monsanto insists that any omitted facts were not material, they have stated to the contrary on the record. In their statement of Contested Facts and Issues, included in our Pre-trial Order, Monsanto states that the reason why Rohm and Haas was denied a patent on 3,4-DCPA was because it failed to submit data comparing 3,4-DCPA with closely-related compounds. Monsanto urges that it received a patent because it submitted this data, which showed that propanil had significantly greater qualities as a herbicide than closely-related compounds. It is this very data which is in issue. See PTO, Plaintiff's Statement of Contested Issues of Fact and Law, pp. 5-6, Nos. 15-19.

aff'd 327 F. 2d 497 (4th Cir.), *cert. denied* 379 U. S. 826, 85 S. Ct. 53, 13 L. Ed. 2d 36 (1964); Union Carbide & Carbon Corp. v. Stuart Laboratories, 194 F. 2d 823, 827 (3d Cir.), *cert. denied*, 343 U. S. 967, 72 S. Ct. 1058, 96 L. Ed. 1363 (1952); Monolith Portland Midwest Co. v. Kaiser Alum. & Chem. Corp., 267 F. Supp. 726, 786 (S. D. Cal. 1966), *modified on other grounds*, 407 F. 2d 288 (9th Cir. 1969). The theory of this defense of fraudulent procurement is the equitable doctrine of "unclean hands" and is rooted in considerations of public policy. As the Supreme Court said in the *Precision Instrument* case at page 816, 65 S. Ct. at page 998:

> "A patent by its very nature is affected with a public interest. * * * [I]t is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope."

We have concluded that the decisions of the Supreme Court require the highest degree of scientific candor on the part of patent applicants in their dealings with the patent office. We believe this standard forbids not only the affirmative making of false statements of material fact, but also the suppression of facts known to the applicant which are inconsistent with statements made by the applicant in pursuit of a patent. The patent applicant should be held to the same standard of truthful disclosure to the patent office that Congress has required of the seller of securities to the public. Under the securities law, one who sells or offers securities for sale must not omit to state in his registration statement, prospectus, or any other communication directed to the public any material fact necessary to be

seated in order to make the communication taken as whole, not misleading. The same standard of candor should also apply to the patent applicant and, when deliberately violated in order to mislead, should result in the denial of a patent. The 17-year monopoly of a patent is a major exception to our basic concepts of free enterprise and the burden ought to be on the applicant to show that he truly has made a discovery which wararnts a monopoly. The patent office should not be put to the trouble of deciding whether to issue a patent on the basis of incomplete and distorted data. It would clearly be against public policy to countenance the issue of a patent based upon an application which omits to state facts which make the application taken as a whole misleading. The plaintiff's intentional failure in this case to state material facts, whereby it misled the patent office, was sufficiently inequitable to invalidate its patent. To distinguish the making of false statements of material fact to the patent office from misleading omissions of material fact would be to invite the kind of deception that occurred here. We conclude that there is no rational basis for a distinction between affirmative misrepresentations and misleading omissions.

Plaintiff argues, however, that the standards of disclosure under the securities act, even if deliberately breached, should not apply to the patent applicant because the purpose of those standards is to prevent the inexpert investing public from being misled. The patent office, on the other hand, has the expertise necessary to decide whether to issue a patent without requiring complete scientific candor from patent applicants. We find this argument to be without merit for two reasons. First, the public does have an interest in seeing that 17-year monopolies are not given without a full and complete airing of all relevant facts. This public interest cannot be diminished by the fact that it is not as directly involved in the patent process as the investing public is in the process of the sale of a

security. Second, the patent office cannot possibly have a detailed technical expertise in every scientific area without relying to some degree on the scientific candor of patent applicants. It cannot be expected to perform tests and experiments to determine whether an applicant's alleged invention is in fact an invention. Further, since patent application proceedings are not ordinarily adversary proceedings, the patent office must rely on the tests and experiments and good faith of the applicant.[14]

Plaintiff also urges that any omission to state facts on its part was not material to the issuance of a patent. Although we have found the omission to be material, we are compelled to point out that lack of materiality would not necessarily preclude us, as a Court in Equity, from holding the patent in suit invalid. It has been held that affirmative misrepresentations by a patent applicant, made with the intent to deceive, even if not material, is grounds to refuse the enforcement of a patent because the applicant is thereby tainted with unclean hands. Corning Glass Works v. Anchor Hocking Glass Corp., 253 F. Supp. 461 (D. D. Del. 1966), *rev'd on other grounds*, 374 F. 2d 473 (3d Cir. 1967). The doctrine of unclean hands is equally applicable to the intentional withholding of facts to mislead the patent office. As the Court said in Corning, *supra*, at 470 "Absolute honesty and good faith disclosure is necessary." This rule of absolute candor with the patent office is a salutary one in that it should encourage the applicant, where the materiality of facts is in question, to resolve all doubts in favor of disclosure.

14. Appropriate in this regard is the statistical notation by the Supreme Court in Graham v. John Deere Co. of Kansas City, 383 U. S. 1, 18, 86 S. Ct. 684, 694, 15 L. Ed. 2d 545 (1966) that "the Patent Office is confronted with a most difficult task. Almost 100,000 applications for patents are filed each year. Of these, about 50,000 are granted and the backlog now runs well over 200,000. 1965 Annual Report of the Commissioner of Patents 13-14."

It is our conclusion, therefore, that the patent applicant in processing his application must not omit to state material facts known to the applicant for the purpose of misleading the patent office. If the applicant does, his patent will be invalidated as procured inequitably and contrary to public policy. Moreover, these same equitable and policy considerations compel invalidation of a patent even if the misrepresented or omitted facts are not material, if they are made with the intent to mislead.

III. Constructive Abandonment and Laches.

Defendant further contends that Monsanto's patent is invalid because 3,4-DCPA was in public use and patented as a herbicide in a foreign country more than one year before Monsanto applied for its patent. This contention is based on the following statutory language:

> "A person shall be entitled to a patent unless * * * (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." (35 U. S. C. § 102(b)).

The theory of this section is that an inventor "constructively abandons" his right to a patent if his invention has been in public use more than one year before his patent application. See 2 Deller's Walker on Patents, § 136.

Monsanto filed its application for a patent on 3,4-DCPA on February 3, 1967. This application was stated to be a division of its application filed May 8, 1961 which in turn was a continuation of its application filed May 27, 1957 which was abandoned (DX-1, p. 1). 3,4-DCPA had been on the market more than one year before February 3, 1967 (Finding of Fact No. 30). In addition, Rohm and Haas had secured a foreign patent on 3,4-DCPA as a selective, post-emergence herbicide in May, 1959 (Finding of Fact

No. 29). This was more than one year before Monsanto's application of May 8, 1961. Hence, the issue we must decide is whether Monsanto is entitled to claim the May 27, 1957 filing date of its first application under section 102(b) for the purposes of determining the one-year statutory period. If we conclude that it is entitled to the May 27, 1957 filing date, its patent cannot be invalidated under section 102(b). If, however, we conclude that either February 3, 1967 or May 8, 1961 is the filing date, Monsanto's patent is invalid.

We have concluded that Monsanto is entitled to the May 27, 1957 filing date and therefore its patent is not invalid under the public use provision of section 102(b). Under 35 U. S. C. § 120 an inventor is entitled to the filing date of an earlier patent application if: (1) the invention patented is disclosed in the earlier application in the manner provided in the first paragraph of 35 U. S. C. § 112; (2) the inventor is the same; (3) the application is filed "before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application"; and (4) if the application contains a specific reference to the earlier filed application. See Technicon Instruments Corp. v. Coleman Instrument Corp., 385 F. 2d 391 (7th Cir. 1967). Monsanto has met these four requirements.

First, Monsanto's 1957 application describes the invention patented in a manner which complies with 35 U. S. C. § 112. Section 112 requires "a written description of the invention, and the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor for carrying out his invention." By our

examination of the 1957 application (DX-3), we have concluded that 3,4-DCPA is disclosed in compliance with section 112.

Secondly, Dr. Huffman is named as the sole inventor in all three of Monsanto's applications.

Thirdly, Monsanto's 1967 application was filed before the "patenting or termination of proceedings on its first application or on an application similarly entitled to the benefit of the filing date of the first application." Although Monsanto's first application was abandoned before its 1967 application, there was no "patenting or termination of proceedings" on its 1961 application which, we find, would also be entitled to the filing date of its 1957 application.

Lastly, Monsanto's 1967 application contains a specific reference to each of its two previous applications (DX-1, p. 1).

Notwithstanding our above conclusion, Rohm and Haas urges that even if Monsanto did not abandon any right it had to patent 3,4-DCPA, it is guilty of such inexcusable delay in asserting that right that its patent is invalid for laches. Rohm and Hass argues that the twelve year delay from 1955, when Monsanto alleges Huffman invented 3,4-DCPA,[15] to 1967, when Monsanto filed its patent application, precludes the issuance of a patent to Monsanto where 3,4-DCPA had been in public use since 1961 and where no reasonable excuse is offered by Monsanto to explain such delay. The theory of the requirement of prompt assertion of a right to a patent is that such inaction unduly postpones the time when the public would be entitled to the free use of the invention and thus defeats the policy of the patent law. See 2 Deller's Walker on Patents, § 135. In

15. See plaintiff's Proposed Findings of Fact and Conclusions of Law, pp. 8-10. Huffman stated that he invented propanil in 1954. (Huffman, N. T. 56-57).

applying this theory to this case, we find Monsanto guilty of laches in asserting any right it had to a patent on the compound 3,4-DCPA.

Both Monsanto and its competitor Rohm and Haas have marketed 3,4-DCPA as a herbicide since about 1961 and both have attempted to secure patents for the use of 3,4-DCPA as a herbicide. Monsanto has offered no reasonable excuse for its failure to assert a claim to 3,4-DCPA during the 6 years prior to public use and during the 6 years of public use and the Court upon examination of the entire record in this case can find none. Apparently, the reason Monsanto did not attempt to patent 3,4-DCPA in 1955 was because it did not think it was entitled to a patent due to prior art disclosures (see Huffman, N. T. 181). Instead, Monsanto acquiesced in the use of the chemical compound 3,4-DCPA by the public and in the marketing of it by its competitor, content that it would receive a patent on the use of 3,4-DCPA as a herbicide. Monsanto merely stood by with an invention it now claims to have made in 1955 while its competitor marketed the "invention" commencing in 1961. The policy of the patent law requires an inventor to patent his invention as soon as expeditiously possible and cannot countenance an unexcused delay of 12 years from the time the invention is allegedly made. Only in 1967 did Monsanto, seeking a new avenue of attack in this battle of corporate giants, decide to attempt to patent the compound itself.[16] Its move on this corporate chessboard has come too late. A 12 year delay in asserting a right to patent an invention is an unreasonable delay where the inventor acquiesces in public use and marketing of his in-

16. Monsanto did attempt in 1964 to claim the compound 3,4-DCPA in connection with an amendment to its 1961 application. The Patent Office denied Monsanto the opportunity to make additional claims. (See Finding of Fact No. 53). It should be noted, however, that it delayed three more years after this rejection until filing an application to patent 3,4-DCPA.

vention for 6 of the 12 years and where there is no reasonable excuse for this delay. See Woofter v. Carlson, 367 F. 2d 436, 442-443 (C. C. P. A. 1967) *citing* Judge Learned Hand in Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co., 153 F. 2d 516 (2d Cir. 1946); Jones v. Freed-Eisenmann Radio Corp., 47 F. 2d 174, (2d Cir. 1931); Veaux v. Southern Oregon Sales, Inc., 33 F. Supp. 605 (D. Ore. 1940) an cases cited at page 607, footnote 3, *aff'd*, 123 F. 2d 455 (9th Cir. 1941).

IV. Anticipation.

Rohm and Haas further argues that the invention here patented was "described in printed publications" within the meaning of 35 U. S. C. §§ 102(a) and (b) and therefore was "anticipated". Under these sections if an invention was "described in a printed publication * * * before the invention thereof by the applicant for patent" (section 102(a)) or was "described in a printed publication * * * more than one year prior to the date of the application for patent" (section 102(a)), any patent on that invention is invalid. Since we have decided that Monsanto's 1967 patent application is entitled to the May 27, 1957 filing date, and since Dr. Huffman, if he invented 3,4-DCPA, did not invent it before May, 1955, the issue under sections 102(a) and (b) is whether this invention was described in printed publications sometime before May 27, 1956.

We have decided that the chemical compound 3,4-DCPA was described in printed publications before May 27, 1956 within the meaning of sections 102(a) and (b) and therefore was anticipated. It is clear that a *specific* description of a chemical compound or of its formula in the prior art is an anticipation of any claim to that compound even if the prior reference contains no method at all for its production. See Application of Baranauckas, 228 F. 2d 413, 43 CCPA

727 (1955) and cases cited in that opinion at page 415. Rohm and Haas concedes in argument that neither 3,4-DCPA nor its structural formula was specifically described in prior printed publications. Rather, it argues that the disclosure of analogs, isomers, and homologs of 3,4-DCPA in the prior art constitutes an *implicit* description of 3,4-DCPA and that such implicit description invalidates a compound patent. The prior art in this case does in fact implicitly describe propanil and its structural formula to one skilled in the art (Finding of Fact No. 41). In our opinion this implicit description of 3,4-DCPA by the prior art is sufficiently clear and distinct (Findings of Fact Nos. 43, 44 and 45) to invalidate Monsanto's patent. Our case is on all fours with the case of application of Baranauckas, *supra*. The Court said in that case at page 416:

> "We cannot see a logical distinction between this case, where the compound was revealed as clearly as if it had been explicitly named, and those cases in which it happened to be named explicitly. In this case it would not have changed the force or meaning of the reference in the slightest if it had specifically named each of the corresponding chlorine compounds. We can see no reason why we should hold an explicit naming of a compound to be an anticipation, and hold an equally clear, though implicit, disclosure not to be an anticipation.
>
> At the same time, however, though our decision is compelled by the existing law, we feel constrained to point out that there are limits to the doctrine of those cases. What the precise boundary lines are, we are unable now to discern. Certainly they do not extend so far as to permit publication of theoretical lists of hundreds or thousands of possible compounds to deny patent protection on such compounds to those who actually discovered them later. The exact boundaries will have to be delineated on a case by case basis. But whatever they may be, we have not reached them here."

We are in full accord with the above-quoted language. To the same effect, see Application Petering, 301 F. 2d 676, 681-682, 49 CCPA 993 (1962); Application of Preda, 401 F. 2d 825 (C. C. P. A. 1968).

V. Specification.

Under 35 U. S. C. § 111, a patent applicant must include in his application a "specification" and in 35 U. S. C. § 112 the matters which must be included in such specification are spelled out. Rohm and Haas argues that Monsanto's patent is invalid because it has failed to comply with section 112.

We find this argument to be without merit. Rohm and Haas can point to nothing in Monsanto's patent application to support its contention. It attempts to support it by an argument more properly addressed to the issues of Constructive Abandonment and Laches, *supra*.

Upon our examination of the patent application (DX-1), Monsanto has met the requirements of section 112.

VI. Presumption of Validity.

Monsanto has urged upon this Court throughout this litigation the rebuttable statutory presumption that a patent once issued is valid and that the burden of proving its invalidity is on the party asserting it. 35 U. S. C. § 282. We believe, however, that the presumption of validity has been destroyed in this case by Monsanto's intentionally withholding material facts from the patent office. The presumption of validity is based on the expertise of the patent office. Where the patent office does not have all material facts before it, the theory of the presumption is destroyed. The presumption falls with it. This is the rule applied in the case of intentional misrepresentations of material fact and the same should apply to intentionally

4. Monsanto complied with 35 U. S. C. § 112.

5. The presumption of validity was destroyed by Monsanto's intentional withholding of material facts from the patent office.

6. Even if the presumption of validity were not destroyed, Rohm and Haas has met its burden of proving invalidity by clear and convincing proof.

ORDER.

And now, this 17th day of February 1970, it is ordered upon the foregoing Findings of Fact, Opinion and Conclusions of Law that judgment be and the same is hereby entered for defendant, Rohm and Haas Company, and against plaintiff, Monsanto Company, in Civil Action No. 68-1269.

OPINION AND ORDER ON POST TRIAL MOTIONS.

(May 21, 1970.)

On February 17, 1970, we filed our Findings of Fact, Opinion, Conclusions of Law, and Order in the above-captioned case finding for the defendant and against the plaintiff in this patent infringement action, holding that plaintiff's patent was invalid. Plaintiff now moves under Rules 52 and 59 of the Federal Rules of Civil Procedure for an Amendment of our Findings, for the Addition of New Findings, and for a Partial New Trial.

Plaintiff's motion is directed at the following:

(1) Our Finding that the plaintiff was guilty of deliberately misleading the patent office in connection with the prosecution of its patent application. (Finding of Fact No. 37). With respect to this Finding, plaintiff requests the following relief: (a) either a new trial or (b) a modification of the Finding and the addition of New Findings numbered 39-56 in the appendix to plaintiff's motion.

(2) Our Findings with regard to some of the prior art in this case (Findings of Fact Nos. 43-45). With respect to these Findings, plaintiff requests a substitution of new Findings numbered 57-71 in the appendix to plaintiff's motion.

For the reasons set out below, plaintiff's motion is denied.

(1) Finding of Fact No. 37.

As noted above, in this Finding we found that Monsanto was guilty of deliberately misleading the patent office. Monsanto argues that it is entitled to a new trial on this issue because this was not the issue embodied in our Pre-Trial Order as an agreed-upon issue to be tried in this case. Rather, it is argued that the Court decided a different issue and that the plaintiff did not understand this to be the issue before the Court. Monsanto claims that it was thereby denied due process of law.

Plaintiff's argument must be rejected. The issue, as broadly framed in our Pre-Trial Order, reads as follows: "F. Did Monsanto misrepresent or withhold material facts during the prosecution of the patent in suit so as to render the patent invalid or unenforceable?" In our Opinion, at page 788, we stated the issue as follows: "(a) Did Monsanto deliberately misrepresent or withhold material facts in order to mislead the patent office during the prosecution of the patent in suit so as to render the patent invalid or unenforceable?" It is clear to the Court that the issue decided is within the broader issue stated in the Pre-Trial Order. Moreover, it is also clear from the record that counsel for plaintiff was aware that the issue of fraud was before the Court. For example, in his opening statement plaintiff's counsel stated at page 26 of the Notes of Trial Testimony: "We also understand the defendant will attempt to prove that Monsanto, during the prosecution of

its application, in some way misled the Patent Office into believing that the compound had unique and unexpected herbicidal properties and that it thereby rendered its patent unenforceable". And further: "So that the charge—and it is one which smacks of fraud and should not be made lightly * * * I think it will be perfectly clear before we are through here that there were no intentional misrepresentations * * *"

Under these circumstances, plaintiff's motion for a new trial on this issue is denied.

Plaintiff's motion for a modification of Finding of Fact No. 37 is premised on the argument that Rohm & Haas has failed to meet its burden of proving that Monsanto made intentionally misleading omissions of material fact in the course of prosecuting its patent application. In conjunction with this motion to modify, Monsanto asks that we make additional findings. We have decided to deny this aspect of Monsanto's motion for the following reasons.

As to whether Rohm & Haas has met its burden of proof, we have decided to let the record stand as it is. However, we are compelled to point out that even if we were persuaded to change our mind and find that although there were intentional omissions of fact, Monsanto did not intend to mislead the Patent Office, this would not lead us to a different conclusion with respect to the validity of a patent in light of such omissions. For the same policy considerations which underlie our February 17th Opinion (pages 792-794), we hold that even if Monsanto did not intend to deceive the Patent Office, the fact that it intentionally withheld facts which were material to the decision whether it was entitled to a patent is sufficient to bar the issuance of a patent to it. We found in our original Opinion that the facts withheld were material (see page 791). We believe that all questions of materiality in dealings

with the Patent Office ought to be resolved in favor of disclosure. Only such a standard can protect the public from the deadening competitive effect of improvidently issued patents. In this case, a comparison of the herbicidal efficiency of 3,4-DCPA and other closely related compounds was clearly material to Monsanto's right to a patent. It is also clear that the decision not to disclose these facts to the Patent Office was a deliberate one (N.T. 791-792).[1] Under these circumstances, even if the decision not to disclose was motivated by nothing more than bad judgment as to the materiality of the information, the patent must still be rejected. We hold that a specific intent to deceive is not necessary to bar a patent when there is evidence of a deliberate withholding of material information. Of course, if it is found that the facts withheld were not even marginally material to the issues before the Patent Office, then our decision on this precise issue would be different.

In addition, we specifically disapprove of any concept which permits patent applicants to "put their best foot forward" before the Patent Office (see Monsanto v. Dawson Chemical Co., 312 F. Supp. 452 filed April 17, 1970, Southern District of Texas). This kind of concept is only workable in adversary proceedings where the other side can be relied upon to bring out all of the facts adverse to the granting of the patent. In view of the realities of the patent office backlog, a standard of disclosure appropriate to adversary proceedings would defeat the public interest in not having patents improvidently issued.

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1. See also the transcript of the oral argument before us on this motion at page 18, where plaintiff's counsel concedes that the failure to disclose was not accidental.

(2) Findings 43-45.

In our February 17th Findings of Fact, we concluded that the prior art in this case does not *specifically* recite the name 3,4-DCPA nor its formula, but that by virtue of the specific disclosure in the prior art of certain homologs, isomers and analogs of 3,4-DCPA that 3,4-DCPA and its formula was *implicitly* described to one skilled in the art. Plaintiff now asserts that certain portions of Findings 43-45 are (1) inconsistent with the above proposition and (2) completely in error in certain important respects, and moves that new findings, numbered 57-71 in the appendix to its motion, be substituted therefor. We have also decided to deny this aspect of plaintiff's motion.

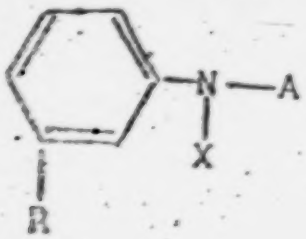
Findings 43-45, with the particular excerpts challenged by this motion underlined, are as follows:

43. Biernert specifies that the acylamino group can be either acetylamino or propioylamino (DX-68, p. 1, col. 2, lines 1-12). *The small number of so-described 3,4-dichlorobenzenes include 3,4-DCPA and 3,4-DCAA. The procedure taught in this patent to make the described pigments can start with either 3,4-DCAA as shown by FIAT* Final Report No. 1313, dated February 1, 1948 (DX-69), *or with 3,4-DCPA, the next higher homolog of 3,4-DCAA, to produce phthalocyanine pigments having "extremely close" properties.* (Price, N.T. 522-33; Urry, N.T. 901-02). 3,4-DCPA was used by Dr. Price in the reaction disclosed by FIAT and a pigment was obtained having properties "very similar" to those of the pigment made from 3,4-DCAA. (Price, N.T. 534-39).

44. Chattaway, J. Chem. Soc. Trans. 81 (1902), pages 637-644, (DX-71), describes the migration of a chlorine atom from the nitrogen to the para and then the ortho positions in propionanilide and clorinated propionanilides, *in-*

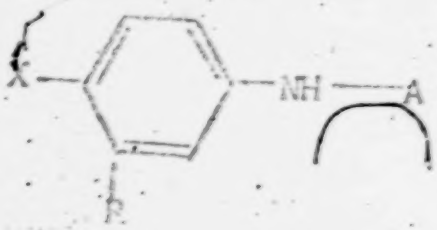
cluding that derived from 3-chloroaniline wherein the meta position is already substituted by chlorine (page 637). *The products obtainable by Chattaway's method constitute a small group of ten chloropropionanilides, one of which is 3,4-DCPA obtained from 3-chloroaniline.* (Price, N.T. 548-49, 552). The reaction that Chattaway gives is very similar to the one that can be applied to the production of propanil. (Urry, N. T. 904-05).

45. Foutein, Recuil Des Travaus Chimiques Des Pays Bas 47 (1928), pages 635-667, (DX-70), describes the reaction velocity measurement of intra-molecular changes in a group of compounds having the formula:



[A20261]

wherein X is chlorine or bromine, A is formyl, acetyl, propionyl, butyrl or benzoyl, and R is hydrogen, chloro, bromo or methyl (page 638). The changes under study are migration of X from the nitrogen atom (N) to the 4-or para-position on the phenyl nucleus thereby producing compounds having the formula:



wherein X, R and A are defined as above (pages 644, 654, 657, 663). *Foutein indicated a preference for compounds of this second formula wherein X is chlorine and included*

specific reference to the production of 3,4-DCAA (page 663.) (Price, N.T. 560; Urry, N.T. 905). Using propionyl in lieu of acetyl, 3,4-DCPA will be obtained (Price, N.T. 566-61; Urry, N.T. 906-07).

We do not believe that the challenged findings are inconsistent with the proposition that 3,4-DCPA was implicitly but not specifically disclosed in the prior art. These findings include statements of (1) what the prior art says specifically and (2) what the prior art says implicitly to one skilled in the art. The challenged excerpts are, for the most part, findings as to what one skilled in the art would be taught by the prior art, as testified to by defendant's experts, and should not be misconstrued to be statements of what the prior art specifically says. This should be very clear when the Findings are read in conjunction with the record citations.

Lastly, we do not think that the challenged excerpts are in error. We have again reviewed the record with respect to these Findings and find that the record supports them.

Thus, except to the extent that we amended, these Findings at the oral argument on this motion, we will let our findings stand as they are[2]. Accordingly, plaintiff's motion for substitution of new findings, numbered 57-71 in the appendix, is denied.

(3) Finding of Fact No. 49.

At the oral argument on the post-trial motion in this case, counsel for defendant suggested that since the Court had expressed a desire to avoid prejudging any issues still

2. At the oral argument, we amended the second sentence of Finding of Fact No. 43 as follows:

"The small numbered so-described 3,4-dichlorobenzenes *would, to a chemist skilled in the art*, include 3-4-DCPA and 3,4-DCAA *although the specific formulae were not recited by* Bienert.

pending before the Patent Office we amend Finding of Fact No. 49 because it may have such an effect. Counsel for the plaintiff argues it will not have a prejudging effect and, in any event, defendant's request is an untimely attempt to seek an amendment of our Findings.

Quite apart from whether this Finding prejudges issues pending before the Patent Office, we have decided, on our own accord, to amend Finding of Fact No. 49. The amendment is necessary because upon reexamination of the record, we find that the Patent Office has cited one prior art reference before us as teaching that some compounds related to 3,4-DCPA have phytotoxic properties (see DX-3, p. 45 citing the CBCC publication, DX-74). In light of this, we prefer to limit our Finding to the selective, post-emergence herbicidal use of 3,4-DCAA and 3,4-DCPA. Accordingly, Finding of Fact No. 49 will be amended as follows:

"49. The use of 3,4-DCAA and 3,4-DCPA as selective post emergent herbicides was not revealed or in any way suggested in the prior art before May 27, 1956."

ORDER.

And now, this 21st day of May, 1970, it is ordered that plaintiff's motion under Federal Rules of Civil Procedure 52 and 59 be and the same is hereby denied.

District Court, D. Puerto Rico

PATENTEX, INC. v. MANHATTAN HOSIERY CORPORATION et al.

(November 3, 1971)

TOLEDO, *District Judge*.

On October 18, 1971, the defendants filed a motion requesting that this action be stayed, that an order be entered staying defendants' deposition to be taken on October 27, 1971 in accordance with notice to that effect filed with this Court on September 28, 1971, and staying all other discovery, and also in the event that the motion to stay was denied that defendants be granted thirty (30) days from the date of the decision on the motion to stay to respond to the discovery notices served by the plaintiff.

In accordance with Rule No. 2 of the Rules of this Court plaintiff filed its brief in opposition to defendants' motion to stay on October 27, 1971.

On November 1, 1971 the Court heard oral arguments by the parties, George T. Mobille, Esquire arguing on behalf of the plaintiff and Alan H. Levine, Esquire arguing for the defendants.

The Court, after examining the briefs submitted by both parties and the authorities cited therein, after hearing the oral arguments by the respective attorneys and, after being otherwise duly advised in the premises, is of the opinion that defendants' motion to stay must be denied.

The case of Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 28 L. Ed. 2d 788, 169 USPQ 513 (1971), cited by the defendants in support of their motion to stay, holds that once a United States patent has been declared invalid by a final judgment of a Court of competent jurisdiction, a valid defense of collateral estoppel may thereafter be asserted against the patent owner in a different action on the same patent. In the case at bar, the defendants do not allege that the U. S. patent in suit, No. 2771759 has been held invalid as, of course, this is not the case but rather that this Court should stay the action in view of the fact that various pending cases involving this same patent had been earlier filed in the U. S. District Court for the Southern District of New York.

There is nothing before this Court that would indicate that the cases pending in the Southern District of New York will be tried prior to this case. Rather, it appears that due to the congested calendar in the Southern District of New York and the additional fact that an issue of disqualification of an attorney involved in these suits in New York is being processed, it is quite possible that the present action may be tried prior to those pending in New York. In any event, it is the Court's opinion that at this stage of the proceedings and under the present circumstances the stay should not be granted.

It is therefore, ordered that defendants' motion to stay this action and discovery proceedings be, and the same is, hereby denied and that the plaintiff proceed with the discovery in accordance with the notification filed on September 28, 1971.

UNITED STATES DISTRICT COURT,

Northern District of Georgia,

Atlanta Division.

BLUMCRAFT OF PITTSBURGH

vs.

KAWNEER CO., INC., et al.

Civil Act
No. 12

ORDER.

(November 16, 1971.)

HENDERSON, *District Judge.*

By order dated June 15, 1971, this court deemed
of the United States Supreme Court's decision in
Tongue Laboratories, Inc. v. *University of Illinois*
tion et al., ... U. S. ..., 28 L. Ed. 2d 788
reconsider the defendant's motion for summary
since the order dated June 2, 1970, denying summar
ment relied primarily on *Triplett* v. *Lowell*, 297
(1936), which was overruled in part by *Blonder-*
supra. The plaintiff, Blumcraft of Pittsburgh, filed
and affidavits in opposition to the defendants' mot
summary judgment, and the defendants, Kawneer
A. R. Winston Co., Inc., have filed a reply brief to the
tiff's brief.

This is a patent infringement suit dealing with
alleged infringement of a design patent. United
Patent No. D-171,963. This patent, which relates to
ing styled for use in contemporary architecture,
involved in two other civil actions. In the first

ground of obviousness in view of prior art. The court never decided the separate issue of infringement. Therefore, the plaintiff's assertion that the infringing railing here is different from the infringing railing considered by the Fourth Circuit is irrelevant and does not support the plaintiff's contention that the issues are different. Accordingly, the identical issue to that considered by the Fourth Circuit, namely, the validity or invalidity of the patent in light of the prior art, is an issue presented in the present suit.

The second contention of the plaintiff is also without merit. The Supreme Court in *Blonder-Tongue* did recognize that there are rare instances where a court may fail to grasp the technical subject matter involved in the case. However, there is no technical subject matter which the Court of Appeals for the Fourth Circuit might have failed to grasp in relation to the patent in question. This is especially true in light of the rule that patentability in design cases depends on whether or not the design is obvious in overall appearance when viewed through the eyes of the ordinary observer. *Schwinn Bicycle Co.* v. *Goodyear Tire & Rubber Co.*, 444 F. 2d 295 (9th Cir. 1970).

The plaintiff's third allegation, that the Fourth Circuit committed reversible error by ignoring the findings of fact of the lower court, is not an issue to be properly raised in this court. The Supreme Court in *Blonder-Tongue* required that the patentee-plaintiff be permitted to demonstrate that he did not have a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time. This mandate of the Supreme Court does not extend so far as to give this court authority to sit as an appellate court to determine if the Court of Appeals for the Fourth Circuit committed reversible error because it allegedly ignored certain findings of fact made by the lower court.

The plaintiff's final allegation, that it would be unjust

and inequitable to estop the plaintiff from attempting to establish the validity of the patent in this court, since the Court of Claims previously held the patent to be valid, presents a perplexing issue.

The Supreme Court in *Blonder-Tongue* stated that "Triplett should be overruled to the extent it forecloses a plea of estoppel by one facing a charge of infringement of a patent that has *once* been declared invalid." (emphasis added). A dilemma arises when trying to apply this estoppel doctrine to the present case and still comply with another mandate of *Blonder-Tongue*, that the trial court "must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it."

To blindly adhere to the plain language of *Blonder-Tongue* and automatically apply an estoppel when the patent has once been held invalid, would be unjust and inequitable. Such a strict application of the estoppel doctrine would bar a patent, which has been sustained numerous times, from any further litigation, simply because it was finally declared invalid.

On the other hand, it would seem unreasonable to think that the Supreme Court, in *Blonder-Tongue*, intended to limit the application of estoppel only to situations where the patent was declared invalid the first time it was litigated. Such a narrow application would pretermit the policy reasoning behind the estoppel doctrine. The Supreme Court, in *Blonder-Tongue*, elaborated that estoppel should help reduce needless multiple litigation. If the Supreme Court intended for estoppel to apply only after the patent is held invalid the first time it is involved in litigation, then the road is clear for the patentee-plaintiff, who was successful in his first suit, to bring infringement suits in the future solely to shackle various defendants.

often times small businessmen, with the substantial legal fees incurred in patent suits. Logic dictates that such a patentee, whose patent has been held valid only once and held invalid numerous times thereafter, should be estopped from bringing additional suits.

Clearly, the *Blonder-Tongue* decision has left the courts with the task of balancing the equities on a case by case basis. Fortunately, this court does not have to draw the line as to how many prior judgments of validity are required before it would be unjust and inequitable to allow a single judgment of invalidity to estop the patentee from future litigation. Nor does this court have to determine how many judgments of invalidity subsequent to a single judgment of validity are needed before it would be equitable to estop the patentee from further litigation. This court need only look at the situation before it.

In the present case the patent has been litigated twice before coming to this court. In the first case, before the United States Court of Claims the patent was held valid and infringed. In the second case, the patent was held valid and infringed by the United States District Court for the District of South Carolina and this decision of validity was reversed by the United States Court of Appeals for the Fourth Circuit. Accordingly, the question before this court is whether it would be just and equitable to apply an estoppel in favor of the defendant in this patent infringement suit involving a patent which has been judged valid by the Court of Claims and invalid by a Court of Appeals. The court finds that, in the interest of justice, estoppel should not be applied here.

As was stated in *Blonder-Tongue*, "no one set of facts, no one collection of words or phrases, will provide an automatic formula for proper ruling on estoppel pleas. In the end, decision necessarily rest on the trial courts sense

of justice and equity." At present, there are two conflicting decisions construing the validity of the patent in question. In the interest of justice, this court cannot place more weight on the decision of the Court of Appeals than on the decision of the Court of Claims in ruling on the defendants' plea for estoppel. Furthermore, this court cannot rule on the validity of the patent, since that issue is not properly before the court at this time.

Accordingly, for reasons hereinbefore stated, the defendant's motion for summary judgment is hereby denied.

In The

Supreme Court of the United States

October Term, 1971

No. 71-787

Monsanto Company,

Petitioner,

v.

Dawson Chemical Company and
Crystal Chemical Company,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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pany (No. 19,132), thereby agreeing that the patent at issue is invalid. A copy of that opinion is included in the Appendix to this brief.

GROUNDS FOR DENYING WRIT OF CERTIORARI

1. Petitioner has made no showing of any special or important reason why review on writ of certiorari should be granted in this case.

It is apparent that the Question Presented by the Petition has extremely narrow application, for it can only be applied to a situation which involves

(1) copending patent infringement actions
(2) against different defendants
(3) in different districts,
(4) both of which are tried before a decision is rendered in either,
(5) the trial court decision in the case first decided being that the patent is invalid,
(6) the trial court decision in the other case being that the patent is valid,
(7) the second decision coming before May 3, 1971, and
(8) an appeal from the second decision being pending on May 3, 1971.

May 3, 1971, is, of course, the date of the Supreme Court decision in *Blonder-Tongue* v. *University of Illinois Foundation*, 402 U.S. 313, 28 L.Ed.2d 788 (1971), in which the Court partially overruled *Triplett* v. *Lowell*, 297 U.S. 638, 80 L.Ed. 949, 56 S.Ct. 645 (1936), to permit an infringement suit defendant to assert a plea of estoppel based upon a prior judgment of invalidity of the same patent in a suit against a different defendant. Thus prior to May 3, 1971, a defendant could not plead estoppel as a defense, but after that date he could.

So far as Respondents have been able to determine, the present case is the only one in which the Question Presented could possibly arise. Petitioner has not referred to any other pending case involving the peculiar fact situation which is necessary to give rise to the Question Presented.

It is apparent that the Question can never arise in future litigation, because *Blonder-Tongue* has now established the right to plead collateral estoppel, so that in the future any defendant who, following a judgment of invalidity in another suit, fails to plead collateral estoppel, will have waived that defense. Nor can the Question arise in litigation which had already terminated as of May 3, 1971, for defendants in those cases are barred by res judicata.

Thus, Monsanto now seeks to use the writ of certiorari to obtain further review on a question which is of no interest or importance to anyone except Monsanto. This is not the purpose of certiorari.

Supreme Court Rule 19(1) states, in part, as follows:

> "A review on writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only when there are special and important reasons therefor."

The rule then goes on to give examples of reasons which will be considered.

This Court has consistently limited the right of review by writ of certiorari to those cases where review was necessary to secure uniformity of decision between courts of appeal and those cases having great importance to the public. As stated by the Court in *Magnum Import Co. v. De Spoturno Coty*, 262 U.S. 159, 67 L.Ed. 922, 43 S.Ct. 531 (1922), at page 163 of 262 U.S.:

> "The jurisdiction to bring up cases by certiorari from the circuit courts of appeals was given for two purposes: first, to secure uniformity of decision between those courts in the nine circuits; and, second, to bring up cases involving questions of importance which it is in the public interest to have decided by this court of last resort. The jurisdiction was not conferred on this court merely to give the defeated party in the circuit court of appeals another hearing."

More recently in *Fay* v. *Noia*, 372 U.S. 391, 83 S.Ct. 822, 9 L.Ed.2d 837 (1963), at p. 436 of 372 U.S., the Court stated that the writ of certiorari is not "a stage of the normal appellate process" as was the writ of error, noting the provision of Rule 19 that it will be granted only when there are special and important reasons.

Despite this clear expression in the rules and in decisions of this court as to the reasons which will be considered adequate for review by writ of certiorari, Petitioner herein has presented a question which, as has been shown, apparently can be of no interest to anyone other than the parties to this particular case.

Petitioner did not even make an attempt to show that review was necessary to secure uniformity of decision between the courts of appeals, for the very good reason that there has been no conflict between the courts of appeals on the Question Presented.

There is not even any conflict between the circuits in the much broader question of whether the *Blonder-Tongue* decision should be applied retroactively. In the first place, the answer to this question has already been indicated by the Supreme Court itself in *Blonder-Tongue*, when it did in fact apply the decision retroactively, allowing collateral estoppel to be pleaded in a case which had already been to the Court of Appeals. Furthermore, no court, either district

court or court of appeals, which has had occasion to make reference to *Blonder-Tongue*, has seen fit to question the retroactive application of the rule of that case. Note, for example, the two cases cited by Petitioner at pages 12 and 13 of the Petition, *Patentex Inc.* v. *Manhattan Hosiery Corp.*, 171 USPQ 693 (D. Puerto Rico 1971) and *Blumcraft of Pittsburgh* v. *Kawneer Co., Inc.*, 172 USPQ 43 (N.D. Ga. 1971).

A number of other courts have also considered *Blonder-Tongue* to be retroactive. See, for example, the decision by the Judicial Panel on Multi-District Litigation in *In re Suess Patent Infringement Litigation*, 331 F.Supp. 549 (1971). Also see *Hickory Springs* v. *Fredman Bros.*, 330 F.Supp. 978 (S.D. Ill. 1971); *MacLaren* v. *B-I-W Group*, 171 USPQ 336 (S.D. N.Y. 1971); *Kaiser Industries* v. *Wheeling-Pittsburgh*, 328 F.Supp. 365 (D. Del. 1971); *Philips Electronics* v. *Thermal and Electronics*, 171 USPQ 641, 650 (3rd Cir. 1971); and *Boutell* v. *Volk*, 449 F.2d 673 (10th Cir. 1971).

Lacking any basis for arguing that the Question Presented is an important question of interest to the public, or that review is necessary to secure uniformity of decision, Petitioner has concentrated on an argument which, in effect, contends that *Blonder-Tongue* was wrong.

First, Petitioner argues (p. 9 of the petition) that the writ should be granted so that this Court can determine whether procedural delay should be added to the considerations in adjudicating estoppel issues. However, there is no showing that the trial courts are troubled by this. In one case cited by Petitioner, *Patentex, Inc.* v. *Manhattan Hosiery Corp.*, *supra*, the court refused to delay proceedings pending the disposition of an earlier filed New York case, saying that *Blonder-Tongue* did not require such delay. Furthermore, there is no showing that procedural delay

has occurred or will occur in the present case, except for that resulting from actions by Petitioner.

Petitioner frankly admits that federal court calendars can be coordinated so that one case can proceed to final judgment before another case on the same patent is tried. Thus even Petitioner sees no real problem in the future.

Petitioner further argues that the Court should decide whether the prior judgment of invalidity must be *final* before collateral estoppel can be applied. Of course, in *Blonder-Tongue* the prior judgment of invalidity was not final, in the sense of having been decided by the Court of Appeals, at the time of the decision of validity by the district court in the second case. Thus this argument does not raise any issue not already decided by this Court in *Blonder-Tongue*.

Furthermore, since the Petition was filed herein, the Third Circuit Court of Appeals has affirmed the decision of the Philadelphia District Court, thereby making the fact situation substantially identical to that in *Blonder-Tongue*. Presumably, Monsanto will petition for rehearing and for writ of certiorari, thereby substantially delaying the entry of a Final Judgment, but the invalidity judgment is now much nearer "finality" than it was when the Petition was filed.

From the foregoing it is apparent that Petitioner has made no showing that this is a case of peculiar gravity and general importance, or that the decision of the question presented is necessary to secure uniformity of decision. Accordingly, the writ should be denied.

2. The writ should be denied because the Petition is premature.

The decision of the Court of Appeals was in no sense a final disposition of the rights of the parties herein, since it merely remanded the case to the District Court for trial of the collateral estoppel defense.

If the District Court, and on appeal the Court of Appeals, concludes that collateral estoppel should be found, then Monsanto still has an opportunity to seek review here, basing its petition on not only the Question Presented in the present Petition, but on any other ground which may arise. Such a petition would seek to present a *finally adjudicated* matter, which substantially affects the rights of the parties, rather than merely an interlocutory question, which is not fundamental to the further conduct of the case.

Although there is no question as to this Court's *power* to grant a writ of certiorari in a case which has been remanded for further proceedings in the trial court, that power has been exercised only in a very few cases, and then only when the issue involved was "fundamental to a further conduct of the case" (*Land* v. *Dollar* (1946) 330 U.S. 731, 735, 91 L. Ed. 1209).

As this Court stated in an early decision only one year after enactment of the Act of 1891 which relieved the Court of its overburden of review responsibility, upon establishment of the circuit courts of appeals:

> "Doubtless, this power would seldom be exercised before final judgment in the circuit court of appeals, and very rarely indeed before the case was ready for decision upon the merits in that court." American Construction Co. v. Jacksonville, T. & K.W.R. Co., 148 U.S. 372, 385, 37 L.Ed. 486 (1892)

In that case, which involved an interlocutory order by the circuit court of appeals, this Court refused to grant certiorari on the basis that, even if the court of appeals had erred, the error was "neither so important in its immediate effect, nor so far reaching in its consequences, as to warrant this court in undertaking to control the cause at this stage of the proceedings." (pp. 385, 386 of 148 U. S.).

The court there established the rule which thereafter it has consistently followed:

> "Clearly, therefore, this court should not issue a writ of certiorari to review a decree of the circuit court of appeals or appeal from an interlocutory order, unless it is necessary to prevent extraordinary inconvenience and embarrassment in the conduct of the cause." (p. 384 of 148 U.S.).

Monsanto now seeks review by this Court of an order of the Court of Appeals for the Fifth Circuit which merely remands to the District Court, giving Respondent the right to amend its pleadings and the parties the right to present additional evidence. That order has no immediate effect on the substantive rights of the parties, and there is no showing that it will result in any "extraordinary inconvenience" or "embarrassment in the conduct of the cause." Monsanto has shown no reason why this Court should spend its time now on this matter.[2] The writ should therefore be refused as premature.

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[2] There is indication that the Petition was filed primarily for the purpose of delaying the sending down of the Court of Appeals' mandate, rather than as a result of any real hope that this Court would grant certiorari. Note the statement at page 12 of the Petition that Monsanto obtained a ninety day stay of the mandate "in the hope that a reversal of the Rohm & Haas decision would be available before this petition need be filed."

3. The writ should be denied for lack of merit.

The facts of the present case are so nearly identical to those of *Blonder-Tongue* that Petitioner, in its effort to convince the Court that it should review the Question Presented, inevitably ends up arguing that the *Blonder-Tongue* decision was wrong and created more problems than it corrected. Actually, the only factual difference between the two cases is that in *Blonder-Tongue* the second trial court began trial after a decision was rendered by the first trial court, whereas here the second trial court began and completed trial before a decision was handed down by the first trial court. Petitioner says that this is a "compelling distinction" (Petition p. 5), but never explains why it is compelling, nor even why it is significant.

Petitioner argues that the *Blonder-Tongue* rule should not be applied retroactively in a case where a decision of validity has already been entered by the trial court in the second suit. Respondent has already pointed out that there is apparently no other case where that situation can possibly exist, and therefore a decision on that question could only affect the present litigants. On the merits of the question, however, it is apparent that this Court did in fact apply the rule retroactively in *Blonder-Tongue*, sending the case back to the District Court which had previously held the patent valid.

Monsanto concedes that the primary consideration in determining whether a new rule announced by the Supreme Court is to be retrospective or merely prospective is the purpose to be served by the particular new rule.

This Court's opinion in *Blonder-Tongue* makes it apparent that the purpose to be served by the rule of that case was to limit the patent owner to "one full and fair oppor-

tunity for judicial resolution" of the issue of validity (P. 799 of 28 L.Ed.), as a result of which the resources of the litigants as well as of the courts and the public as a whole could be applied to other, more productive use. Monsanto argues that no resources will be saved in this case, because trial has already been completed, and that if collateral estoppel is applied the judicial effort of the trial court will be wasted. However, this overlooks the fact that the Fifth Circuit Court of Appeals has already saved the time that would have been required to consider the record and briefs, and to prepare an opinion on the merits of the case. Furthermore, Monsanto is now asking the nine Justices of this Court to take the time to review and dispose of this rare situation, merely to avoid the waste of the trial court's judicial effort. The effort of the trial court has already been expended, so that a ruling by this Court overturning the remand by the Court of Appeals will only have the effect, insofar as judicial effort is concerned, of requiring the Court of Appeals to consider the four grounds urged for reversal of the trial court's decision on the merits.

The effect of the partial overruling of *Triplett* by this Court in *Blonder-Tongue* was to allow the defendant to amend its pleadings to assert a defense of collateral estoppel. That is all the Court of Appeals has done in this case. The identical benefits which the Court sought to achieve by remanding in *Blonder-Tongue* will be achieved by a remand here.

CONCLUSION

The petition for writ of certiorari should be denied for the lack of any special or important reason therefor, because it is premature, and because it is without merit.

Respectfully submitted,

.....

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APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE THIRD CIRCUIT

No. 19,132

MONSANTO COMPANY, *Appellant*

v.

ROHM & HAAS COMPANY

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

Argued May 3, 1971

Before KALODNER, VAN DUSEN and
ALDISERT, *Circuit Judges*

OPINION OF THE COURT

(Filed January 12, 1972)

ALDISERT, *Circuit Judge*.

Monsanto Company appeals from a judgment declaring invalid and unenforceable its U.S. Patent No. 3,382,280, known as the Huffman patent, issued May 7, 1968.[1] The

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[1] Extracts from the patent:

3',4'-DICHLOROPROPIONANILIDE, Clarence W. Huffman, Glenview, Ill., assignor to Monsanto Company, St. Louis, Mo., a corporation of Delaware. Abstract of the Disclosure: 3',4'-dichloropropionanilide is a new compound which has outstanding herbicidal properties.

. . . (Col. 1)

The herbicidal efficiency of 3,4-DCPA is surprising, for related compounds possess little or no herbicidal efficiency.

action arose in an infringement proceeding Monsanto brought against Rohm and Haas Company, in which the defendant counterclaimed for a declaratory judgment of invalidity and for an injunction and damages for unfair competitive acts against defendant's allegedly infringing product.[2]

Preliminarily, we observe that Rohm and Haas, as a defendant in the proceedings below, had the right to challenge the validity of the patent on the ground that it was obtained by fraudulent misrepresentation.[3] In *Walker*

Note 1—*Continued*

When tested as described above, aqueous emulsions of a random group of such related compounds are found to possess little or no herbicidal activity. Some of the compounds are set forth below:
3'-chloroisobutyranilide
3'-chloroacetanilide
4'-bromo-2'-phenylacetanilide
2',4'-dichloropropionanilide
2',4'-dichloroisobutyranilide
2',4',5'-trichloroisobutyranilide
3',4'-dichlorolauranilide
2',4'-dimethylpropionanilide
N-methylacetanilide
N-n-butylacetanilide
p-chloracetylacetanilide
2',4'-dimethylpropionanilide
2-chloro-2',4'-dimethylpropionanilide

[2] District court jurisdiction is based on 35 U.S.C. § 271, 28 U.S.C. §§ 1338 and 1400. Proceedings in other aspects of defendant's counterclaim were deferred until appellate review of the declaratory judgment duly certified by the district court under Fed. R. Civ. Pro. 54(b).

[3] The right to such an action has had an oblique history. Though the patent acts of 1790 (Act of 1790, § 5, 1 Stat. 109) and 1793 (Act of 1793, § 10, 1 Stat. 318) expressly granted a private party the right, upon allegations of fraud, to petition the district court for an order requiring the patentee to show cause why his letters patent should not be repealed, the omission of the provision in the 1836 Act (Act of 1836, 5 Stat. 117) prompted the Supreme Court to conclude in 1871 that "no one but the government, either in its own name or the name of its appropriate officer can institute judicial proceedings for the purpose of vacating or

Process v. *Food Machinery*, 382 U.S. 172, 176 (1965), the Court said:

> Under the decisions of this Court a person sued for infringement may challenge the validity of the patent on various grounds, including fraudulent procurement. *E.g., Precision Instrument Mfg.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945); *Hazel-Atlas Co.* v. *Hartford-Empire Co.*, 322 U.S. 238 (1944); *Keystone Driller Co.* v. *General Excavator Co.*, 290 U.S. 240 (1933). In fact, one need not await the filing of a threatened suit by the patentee; the validity of the patent may be tested under the Declaratory Judgment Act, 28 U.S.C. § 2201 (1964 ed.). See *Kerotest Mfg. Co.*

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rescinding the patent which the government has issued to an individual . . . [except in those cases asserting the statutory defenses to private infringement actions permitted by the 1839 Act]." *Mowry* v. *Whitney*, 81 U.S. 434 (1871). The right of the government to bring an action to annul a patent was firmly established in *United States* v. *Bell Tel. Co.*, 128 U.S. 315 (1888), and the right was deemed exclusive *United States* v. *American Bell Tel. Co.*, 159 U.S. 548, 555 (1895); *Briggs* v. *United Shoe Machinery*, 239 U.S. 48, 50 (1915); *Carson Inv. Co.* v. *Anaconda Copper Mining Co.*, 26 F.2d 651, 660 (9th Cir. 1928).

Since 1915, however, our research discloses no Supreme Court case holding that the right to seek patent nullification has been expressly limited to the United States. Of course, a patentee guilty of obtaining a patent by fraudulent conduct could be denied equitable relief when bringing an infringement action, thus rendering the patent unenforceable against a defendant who could prove unclean hands. *Precision Instrument*, *supra*; *Hazel Atlas Co.* v. *Hartford-Empire Co.*, *supra*. (Implicit in Justice Roberts' dissent is the recognition that only the United States can seek actual nullification. 322 U.S. at 252; *Keystone Driller*, *supra*. *Cf. Hazeltine Research* v. *Avco Mfg. Corp.*, 227 F.2d 137, 146 (7th Cir. 1955); *Vortex Mfg. Co.* v. *Ply-Rite Contracting Co.*, 33 F.2d 302, 310 (D.Md. 1929); *Alliance Securities Co.* v. *J. A. Mohr & Son*, 14 F.2d 793, 798 (N.D.Cal. 1926).

Thus, it may still be true that only the government may seek actual nullification or cancellation of a patent, though the boundaries of its rights in this area are not yet firmly drawn. See *United States* v. *Glaxo Group Limited*, 302 F. Supp. 1, 11-15 (D.D.C. 1969). But that a private litigant may seek a declaration of invalidity, as pursued here by Rohm and Haas, is no longer open to question.

v. *C-O Two Fire Equipment Co.*, 342 U.S. 180, 185 (1952):

> The patent in suit is for a chemical compound known as 3,4-dichloropropionanilide, hereinafter 3,4-DCPA or propanil. The 1967 patent application asserted that only 3,4-DCPA had unusual and valuable herbicidal activity and that this activity was "surprising" because "related compounds possess little or no herbicidal efficiency." The district court concluded that Monsanto intentionally withheld material facts in order to mislead the Patent Office, thereby making its application for a patent taken as a whole misleading; that Monsanto came into court with unclean hands; that it was guilty of laches in asserting any right to patent the compound; that 3,4-DCPA was obvious within the meaning of 35 U.S.C. § 102 (sic); and that the compound was "described in printed publications" within the meaning of 35 U.S.C. 102(a)(b) and was therefore anticipated.[1] *Monsanto Co. v. Rohm and Haas Co.*, 312 F. Supp. 778, 798-799 (E.D. Pa. 1970).

[1] A similar, subsequent action by Monsanto, based on the same patent, was sustained by a district court in Texas, *Monsanto* v. *Dawson Chemical Corp.*, 312 F. Supp. 452 (S.D. Tex. 1970). We do not find persuasive that court's treatment of the misrepresentation issue or its conclusion that Monsanto "did nothing more than put their best foot forward," 312 F. Supp. at 463. Moreover, though the Texas district court considered and rejected the possible *res judicata* effects of Judge Masterson's prior decision, 312 F. Supp. 464-465, the Fifth Circuit Court of Appeals has reversed and remanded that decision in light of the Supreme Court's recent ruling in *Blonder-Tongue Laboratories, Inc.* v. *Univ. of Illinois Foundation*, ... U.S. ....., (39 U.S.L.W. 4506, 1971), *Monsanto* v. *Dawson Chemical Corp.*, ... F.2d ..... (5th Cir. No. 30,687, June 8, 1971), slip opinion, p. 6:

> On May 3, 1971, the Supreme Court [in *Blonder-Tongue, supra*] with unanimous wisdom reversed its earlier holding in [*Triplett* v. *Lowell*, 297 U.S. 638 (1936)] The Court ruled that a patent owner is bound by the judgment of patent invalidity in a prior suit against a different defendant unless the patent owner can show that for some reason the prior judgment should not be given this estoppel effect.

In the view we take, it becomes necessary to reach only the misrepresentation issue. And to do this requires a discussion of the chemical compounds in question, those related to them, and the various properties associated with them. Closely related to 3,4-DCPA is the chemical compound 3,4-dichloroacetanilide (3,4-DCAA), differing in its structural formula solely by having one less CH_2 group.

The first Monsanto (Huffman) application pertinent to these proceedings was filed May 27, 1957, and covered a class of 3,4-dichloroanilides comprising some one hundred compounds, including 3,4-DCPA and 3,4-DCAA, claiming herbicidal[5] compositions of chemical compounds and the nes of these compounds to destroy undesired plants.[6] Huffman claimed that the members of the class possessed "unusual and valuable herbicidal activity," while related compounds possessed "little or no herbicidal efficiency." Huffman confirmed this "unusual and valuable herbicidal

[5] Capable of destroying plants.

[6] Uncontested on the record are indications of substantial contemporaneous activity by Rohm and Haas. Appellee had developed 3,4-DCPA in 1957 and filed patent applications disclosing three compounds, including 3,4-DCPA, in 1958. In 1959, Rohm and Haas was issued a South African patent describing and claiming 3,4-DCPA as a selective, post-emergence herbicide. The compound's properties were reported by Dr. Roy Smith of the U. S. Department of Agriculture at the Southern Weed Conference in January, 1960; Dr. Smith's report was circulated generally thereafter.

Moreover, priority of invention in an interference proceeding involving this patent and these parties has now been resolved in favor of the appellee. Though Monsanto was granted the original award of priority by the Patent Office, on remand from the Court of Customs and Patent Appeals to consider new evidence not previously divulged, the Board of Patent Interferences has found that Rohm and Haas, having proven concepfion prior to the Huffman (Monsanto) filing date and diligence until reduction to practice, is entitled to the award of priority of invention previously enjoyed by Monsanto. *Wilson, et al.* v. *Huffman*, Patent Interference No. 93,751, Paper No. 309. (Final Hearing Opinion, Gaston, Examiner of Interferences, Board of Patent Interferences, United States Patent Office).

activity" of *all* the compounds *included* in the claim. The Patent Office, in four separate office actions, rejected all of Huffman's claims as unpatentable under prior art disclosures.

Monsanto, through Huffman, tried again on May 8, 1961. Its application disclosed another large class of 3,4-dihalogenated anilides, again including 3,4-DCPA and 3,4-DCAA. Urging anew that the class possessed "unusual and valuable herbicidal activity," the application averred that, in addition to 3,4-DCPA, both 3'4'-dichloroisobutyranilide and 3'4'-dichloromethacrylylanilide were useful as selective post-emergent herbicides for rice.[7] And again the Patent Office rejected the claim of the application as unduly broad and unpatentable over the prior art.

The patent in suit was the third Monsanto application, filed on February 3, 1967. This time it was represented that only 3,4-DCPA had "unusual and valuable herbicidal activity" and that the activity of this compound was "surprising" because "related compounds possible little or no herbicidal efficiency." The examiner rejected the single compound claim as obvious under prior art disclosing homologs[8] and isomers[9] of 3,4-DCPA, including 3,4-DCAA and 2,4-dichloropropionanilide. The patent was issued, however, on May 7, 1968, after Monsanto submitted an affidavit of Dr. Robert F. Husted, based on tests performed by him on twenty plant species at three different rates of

[7] A selective, post-emergent herbicide when applied after emergence to a crop and weeds normally associated therewith, substantially destroys the weeds without adversely affecting the crop.

[8] A homolog is a member of a series of compounds in which each member differs from the next member by a constant number of atoms.

[9] Isomers are chemical compounds having the same molecular formula but different molecular structures.

application per acre. The report as presented to the Patent Office asserted that 3,4-DCPA completely killed or severely injured nine of the eleven species and failed to have any effect on only two. Eight other compounds were reported to have no effect on any of the eleven plants and two other compounds, one of them 3,4-DCAA, either had very slight or no effect. Significantly, although the Husted tests entailed tests on twenty species, at three separate rates of application per acre, the Patent Office was informed of tests on only eleven species and only at one rate of application, two pounds per acre. In all, the affidavit showed less than 25 per cent of Husted's results; of 810 tests, only 150 were submitted.

The district court concluded that this close-cropping of Husted's findings amounted to misrepresentation.[10] More-

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[10] The district court's Finding 37 set forth:

> In its attempt to persuade the Patent Office that 3,4-DCPA was patentable over such prior art compounds, Monsanto, in the course of prosecuting this third application, filed on or about November 9, 1967, the affidavit of Dr. Robert F. Husted. (DX-1, pp. 47-50). This affidavit was drafted by one of Monsanto's patent attorneys and was based upon tests performed by Dr. Husted on about 20 plant species at three different rates of application per acre. The results of these tests were reported by Husted to counsel by letter with attached charts (DX-22). The affidavit only reports the results of tests of 10 compounds applied to 11 plant species at the rate of 2 lbs. per acre of application. The results were that 3,4-DCPA completely killed or severely injured 9 of the 11 species and failed to have any effect on only 2. By contrast, 8 other compounds were reported to have no effect on any of the 11 plants and two other compounds, one of them 3,4-DCAA, either had very slight effect or no effect.
>
> A comparison of the affidavit (DX-1, pp. 47-50) with the letter and charts forwarded to counsel by Husted (DX-22) reveals the following (Cole, N.T. 787-813):
>
> 1. The affidavit states that 3,4-DCPA completely kills radishes at 2 lbs. per acre, earning a "4" rating (DX-1, p. 49). The charts attached to Husted's letter to counsel reveal that 3,4-DCPA only has moderate herbicidal value at 2 lbs. per acre, earning a "2" rating (DX-22, last page).
>
> 2. The charts in DX-22 indicate that at 2 lbs. per acre 3,4-DCAA has complete kill value on pigweed, earning a

over, Judge Masterson found misrepresentation in the inconsistency of Monsanto's 1967 representations of 3,4-DCPA's unique herbicidal efficiency, despite assertions in 1957 and 1961 that 3,4-DCAA and other 3,4-dichloroanalides also had activity as herbicides.

The concept of misrepresentation as applied to patent infringement cases admits to no fixed parameters and promulgates no specific dogma. At best it is an abbreviated expression of basic equitable maxims inherent in the law of patents; a recognition that a part of the *quid pro quo* for the acquisition of a patent monopoly is an insistence that the circumstances surrounding the application for the patent be "free from fraud and other inequitable conduct."

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rating of "4" (DX-22, next to last page). The affidavit completely omits the results of this test. (DX-1, p. 49).

3. The affidavit fails to contain the results of tests where a compound other than 3,4-DCPA attained a rating higher than "4" (DX-1, p. 49). The second to last chart in DX-22 reveals that at 2 lbs. per acre, three compounds other than 3,4-DCPA achieved a rating of "2," which means a moderate herbicidal value.

4. The affidavit reports that 3,4-DCPA at 2 lbs. per acre achieved a "3" or "4" rating on all plant species except two where it achieved a "0" rating (DX-1, p. 49). DX-22 reveals that at 2 lbs. per acre 3,4-DCPA had a rating of less than 3 on several plant species, which results were not reported in the affidavit.

5. The affidavit fails to contain the results of Husted's testing at other than 2 lbs. per acre. (DX-22, first four charts). These show that 3,4-DCPA is somewhat less active at rates other than 2 lbs. per acre.

In addition to the above, the Huffman and Allen article (DX-8) reports the results of tests on various crops at 8 lbs. per acre of application and shows that 3,4-DCAA exhibits high herbicidal activity. This article, as well as the results of the tests in DX-22, were not brought to the attention of the patent examiner (Cole, N.T. 811).

These omissions were intentionally and deliberately made to mislead the patent office into believing that 3,4-DCPA had outstanding herbicidal value as compared to related compounds. The Husted affidavit failed to state facts necessary to be stated in order to make Monsanto's representation to the patent office, taken as a whole, not misleading.

312 F. Supp. at 785-786.

Precision Co. v. *Automotive Co., supra,* 324 U.S. 806, 816 (1945).

We perceive the test to be that articulated by Justice Frankfurter: "The facts of a given case must accordingly be measured by both public and private standards of equity":

> The guiding doctrine in this case is the equitable maxim that "he who comes into equity must come with clean hands." This maxim is far more than a mere banality. It is a self-imposed ordinance that closes the doors of a court of equity to one tainted with inequitableness or bad faith relative to the matter in which he seeks relief, however improper may have been the behavior of the defendant. That doctrine is rooted in the historical concept of court of equity as a vehicle for affirmatively enforcing the requirements of conscience and good faith. This presupposes a refusal on its part to be "the abettor of iniquity." Bein v. Heath, 6 How. 228, 247. Thus while "equity does not demand that its suitors shall have led blameless lives," *Loughran* v. *Loughran*, 292 U.S. 216, 229, as to other matters, it does require that they shall have acted fairly and without fraud or deceit as to the controversy in issue. *Keystone Driller Co.* v. *General Excavator Co.*, 290 U.S. 240, 245; *Johnson* v. *Yellow Cab Co.*, 321 U.S. 383, 387; 2 Pomeroy, Equity Jurisprudence (5th Ed.) §§ 379-399.
>
> This maxim necessarily gives wide range to the equity court's use of discretion in refusing to aid the unclean litigant. It is "not bound by formula or restrained by any limitation that tends to trammel the free and just exercise of discretion." *Keystone Driller Co.* v. *General Excavator Co., supra,* 245, 246. Accordingly one's misconduct need not necessarily have been of such a nature as to be punishable as a crime or as to justify legal proceedings of any character. Any willful act concerning the cause of action which rightfully can be said to transgress equitable standards

of conduct is sufficient cause for the invocation of the maxim by the chancellor.

> Moreover, where a suit in equity concerns the public interest as well as the private interests of the litigants this doctrine assumes even wider and more significant proportions. For if an equity court properly uses the maxim to withhold its assistance in such a case it not only prevents a wrongdoer from enjoying the fruits of his transgression but averts an injury to the public. The determination of when the maxim should be applied to bar this type of suit thus becomes of vital significance. See *Morton Salt Co.* v. *Suppiger Co.*, 314 U.S. 488, 492-494.
>
> . . . The possession and assertion of patent rights are "issues of great moment to the public." *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.*, 322 U.S. 238, 246. See also *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U.S. 661, 665; *Morton Salt Co.* v. *Suppiger Co.*, *supra*; *United States* v. *Masonite Corp.*, 316 U.S. 265, 278. A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege designed to serve the public purpose of promoting the "Progress of Science and useful Arts." At the same time, a patent is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. The facts of this case must accordingly be measured by both public and private standards of equity.

Precision Co. v. *Automotive Co.*, 324 U.S. 806, 814-816 (1945).

Otherwise stated, the test is whether the applicant for a patent has "displayed that standard of conduct requisite to the maintenance of this suit in equity." *Ibid*, 324 U.S.

819.[11] Basically the issue resolves itself to a determination whether the representation to the Patent Office that "related compounds possess little or no herbicidal efficiency" was "tainted with inequitableness."[12]

In view of Huffman's previously unsuccessful attempts to obtain a patent, it is reasonable to conclude that his success with his 1968 application, originally rejected by the examiner, and later accepted after presentation of the Husted Report, was attributed to his emphasis that the compound possessed properties of "surprising . . . herbicidal efficiency" not possessed by related compounds. "From the standpoint of patent law, a compound and all its properties are inseparable; they are one and the same thing." *Application of Papesch*, 315 F.2d 381 (C.C.P.A. 1963).

Thus, in view of the previous patent application rejections on the ground of prior art, it cannot be said that it was the unique chemical formula of 3,4-DCPA which gave rise to the issuance of the patent, but the representation made of it as a "compound and all its properties." Indeed, it was emphasized that these properties effected a herbicidal

---

[11] Story's Equity Jurisprudence (14th Ed.) vol. 1, § 99:

> Equity imperatively demands of suitors in courts fair dealing and righteous conduct with reference to the matters concerning which they seek relief. He who has acted in bad faith, resorted to trickery and deception, or been guilty of fraud, injustice, or unfairness will appeal in vain to a court of conscience, even though in his wrongdoing he may have kept himself strictly "within the law." Misconduct which will bar relief in a court of equity need not necessarily be of such a nature as to be punishable as a crime or to constitute the basis of a legal action. Under this maxim, any willful act in regard to the matter in litigation, which would be condemned and pronounced wrongful by honest and fairminded men, will be sufficient to make the hands of the applicant unclean. Both courts and textwriters have repeatedly spoken upon this subject in no uncertain language.

[12] The Supreme Court has recently emphasized the applicability of equitable principles under federal declaratory judgment proceedings. See *Samuels* v. *Mackell*, 401 U.S. 66, 70 (1971).

efficiency not possessed by related compounds. This being the thrust of the representation to the Patent Office, it required the applicant seeking a patent monopoly to exercise a degree of candor and disclosure as to the herbicidal efficiency of related compounds commensurate with "equitable standards of conduct." *Precision Co., supra.*

The Husted affidavit to the Patent Office did not nearly reflect the total Husted test as transmitted to Huffman. Indeed, an examination of the report permits, if not compels, the misleading inference that it constituted a complete and accurate analysis of all the testing instead of an edited version thereof. Concealment and nondisclosure may be "evidence of and equivalent to a false representation, because the concealment or suppression is in effect a representation that what is disclosed is the whole truth." *Stewart v. Wyoming Cattle Ranch Co.*, 128 U.S. 383, 388-89 (1888). See, Concealment and Nondisclosure, Chafee and Re, EQUITY, 5th Ed., 1967, at 635-644.

Moreover, it cannot be convincingly argued that the examiner in the Patent Office in 1967, in a proceeding numbered 3,382,280, can be charged with knowledge of the contents of an abandoned application numbered 661,575 made in 1957. The record indicates that Huffman made no effort to bring to the attention of the Patent Office in 1967 — when he was seeking a patent on 3,4-DCPA *per se*, attributing to it special herbicidal efficiencies not possessed by related compounds — that in 1957, and again in 1961, he had made representations to the Patent Office inconsistent with those made in 1967.

What, then, is the effect of this failure to make total disclosure? Clearly, if the 1968 patent on 3,4-DCPA qualified on its own as a formula or compound *per se*, without any consideration of its property for "unusual and valuable

herbicidal activity" not possessed by related compounds, the necessity for a full and complete disclosure of the effect of its properties would not assume the importance it requires here. In *Application of Papesch, supra*, 315 F.2d 381 at 391, while considering the importance of properties of new chemical compounds in the context of determining unobviousness, Judge Rich emphasized:

> "From the foregoing cases it will be seen that this and other courts. . . . have determined the unobviousness and patentability of new chemical compounds by taking into consideration their biological or pharmacological properties. Nine of the ten cases above considered, directly or indirectly, involved such properties. Patentability has not been determined on the basis of obviousness of structure alone. In fact, where patentability was found in the above cases it was found in spite of the close similarity of chemical structure, often much closer similarity than we have here.
>
> ". . . From the standpoint of patent law, a compound and all its properties are inseparable; they are one and the same thing."

See also *Commissioner of Patents* v. *Deutsche*, 379 F.2d 656 (D.C. Cir. 1969) where Chief Justice, then Judge Burger, emphasized this same principle.

Applying these considerations to Justice Frankfurter's test of "both public and private standards of equity" we cannot bring ourselves to say that the application for the 1968 patent "displayed that standard of conduct" demanded under the circumstances. We hold that under the "totality of circumstances" — (1) the rejection for obviousness in 1957 of the class of compounds of which 3,4-DCPA was a member and the representations of their common properties with related compounds; (2) the similar rejection in 1961 for the same reasons, and (3) the original rejection of the application in 1967 and the subsequent acceptance

only after receipt of the Husted affidavit — Monsanto was obliged to disclose more information as to the herbicidal properties of related compounds to the Patent Office than it did; for "what is at issue is not merely a contest between the parties but a public interest that cancelled or rejected claims not be revived or restored." *General Instrument Corp.* v. *Hughes Aircraft Co.*, 399 F.2d 373, 385 (1st Cir. 1968.)[13] Under these circumstances, it was impossible for the Patent Office fairly to assess Monsanto's application against the prevailing statutory criteria. Thus, Monsanto's failure to disclose amounted to misrepresentation transgressing equitable standards of conduct owed the public by the applicant in return for its monopoly.

Accordingly, Monsanto was not entitled to the patent monopoly, and the district court did not err in issuing the declaratory judgment of invalidity.[14]

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[13] As the Supreme Court stated in *Graham* v. *John Deere Co.*, 383 U.S. 1, 33 (1966):

> "Claims as allowed must be read in interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

[14] The dissent expresses the view that the district court misapprehended the appropriate burden of proof required for a judgment of invalidity. From a colloquy occurring upon argument of appellant's motion for a new trial, the dissent finds that the district court believed that preponderance of the evidence, rather than clear and convincing proof, was enough to carry Rohm & Haas' allegation. Such an inference is refuted by the court's formal conclusions of law themselves. The court expressly stated that "[u]pon our examination of the record, we have concluded that Rohm and Haas has met its burden of proving invalidity by clear and convincing proof." *Monsanto* v. *Rohm & Haas, supra*, 342 F. Supp. at 797. The court then formally concluded: "6. Even if the presumption of validity were not destroyed, Rohm and Haas has met its burden of proving invalidity by clear and convincing proof." *Id.*, at 798. After argument on the motion, during which the colloquy relied upon by

The judgment of the district court will be affirmed.

KALODNER, *Circuit Judge*, dissenting.

I disagree with the majority's determination that the District Court did not err when it held Monsanto's Huffman patent unenforceable on the ground that it was fraudulently obtained.

I would reverse the District Court's stated holding for these later developed reasons:

1. The District Court committed prejudicial error when it applied an erroneous standard of proof, *viz.*, that fraudulent procurement of a patent may be established by a "preponderance of the evidence." The applicable standard of proof is "clear, unequivocal and convincing evidence."

2. The District Court committed prejudicial error when it held that "*a specific intent to deceive is not necessary* to bar a patent when there is evidence of a deliberate withholding of material information," and, "even if the decision not to disclose was motivated *by nothing more than bad judgment* as to the materiality of the information, the patent must still be rejected."[1] (emphasis supplied).

---

the dissent occurred, the court reaffirmed: "As to whether Rohm and Haas has met its burden of proof, we have decided to let the record stand at it is." *Id.*, at 799.

The dissent makes much of the district court's supplemental opinion, accentuating its reference to intentional fraud. This emphasis overlooks the basic thrust of the supplemental opinion which explicitly declared that "Even if we were persuaded to change our mind" and find that "Monsanto did not intend to mislead, . . . a specific intent to deceive is not necessary where there is evidence of deliberate withholding of material information." The court also made reference to the admission by Monsanto's counsel: "There is no question it wasn't accidentally left out." 312 F. Supp. at 799. Thus, the alternative ground suggested by the district court in no way negatives the principal basis of its original opinion.

[1] 312 F. Supp. 799.

3. It is settled that a party charging fraudulent procurement of a patent must prove by "clear, unequivocal and convincing evidence" that the Patent Office would not have issued the patent except for the fraud, and here there was not a scintilla of evidence that the Patent Office was misled into issuing the patent by the conduct condemned by the District Court. Indeed, the District Court did not make *any finding of fact* that the Patent Office was misled.

4. The District Court's fact-findings that the undisclosed "material" was of critical dimension in the obtaining of the patent and that there was a "deliberate withholding" of the material, were "clearly erroneous" since they were not established by "clear, unequivocal and convincing evidence", but by application of an inapplicable "preponderance of the evidence" standard of proof.

First: as to the District Court's erroneous application of a "preponderance of evidence" standard of proof in adjudicating Monsanto's patent unenforceable on the ground that it was fraudulently obtained:

> These pertinent principles are well-settled:
>
> "Fraud" is never presumed and a party alleging fraudulent procurement of a patent bears a heavy burden of proof. *Edward Valves, Inc.* v. *Cameron Iron Works, Inc.*, 286 F.2d 933, 947 (5th Cir. 1961), *cert. den.* 368 U.S. 833.[2]
>
> "A finding that a patent was procured by fraud or unclean hands must be based on 'clear, unequivocal and convincing' evidence.

---

[2] "Fraud" is never presumed, and the burden is upon the defendant to show facts constituting fraud' by clear, cogent, convincing and certain proof.' *Equitable Life Assurance Soc.* v. *Dunn* (C.C.A.) 61 F.2d 450, 452." *New York Life Ins. Co.* v. *Kwetkauskas*, 63 F.2d 890, 891 (3rd Cir. 1933), *cert. den.* 289 U.S. 762-63. To the same effect, see *McDonnell* v. *General News Bureau, Inc.*, 93 F.2d 898, 901 (3rd Cir. 1937).

United States v. *American Bell Telephone Co.*, 167 U.S. 224, 251, 17 S.Ct. 809, 42 L.Ed. 144 (1897)." *Scott Paper Company* v. *Fort Howard Paper Company*, 432 F.2d 1198, 1204 (7th Cir. 1970), *cert. den.* 401 U.S. 913 (1971). *See, too, McCullough Tool Company* v. *Well Surveys, Inc.*, 343 F.2d 381, 394 (10th Cir. 1965), *cert. den.* 383 U.S. 933 (1966), *rehearing den.* 384 U.S. 947 (1966); *Armour & Co.* v. *Wilson & Co., Inc.*, 274 F.2d 143, 148 (7th Cir. 1960); *Baldwin-Lima-Hamilton Corporation* v. *Tatnall Measuring Systems Company*, 169 F.Supp. 1, 25 (E.D. Pa. 1958), *aff'd on other grounds*, 268 F.2d 395 (3rd Cir. 1959), *cert. den.* 361 U.S. 984.

"To successfully assert that intentional misrepresentations were made, *the standard of proof to be met is not a preponderance of the evidence but the intentional misrepresentations must be proved to a reasonable degree of certainty, otherwise the defense of unclean hands cannot be upheld.*" *Corning Glass Works* v. *Anchor Hocking Glass Corporation*, 253 F. Supp. 461, 471 (D. Del. 1966), *modified on other grounds*, 374 F.2d 473 (3rd Cir. 1967), *cert. den.* 389 U.S. 826, (emphasis supplied).

"Prejudicial error" is committed when a federal court applies a "preponderance of evidence" standard in making a factual determination with respect to allegations of fraudulent conduct. *Barr Rubber Products Company* v. *Sun Rubber Company*, 425 F.2d 1114, 1120-1121 (2nd Cir. 1970), *cert. den.* 400 U.S. 878.

That the District Court applied a "preponderance of evidence" test in making its fact-findings is evident from the following colloquy[3] relating to the sweep of the burden of proof imposed on a party alleging fraud in the procurement of a patent:

"The Court: Look, if this were a criminal case, Mr. Leydig [Monsanto's counsel], it is very possible as

[3] Page 26, transcript of proceedings of April 14, 1970, upon argument of counsel on Monsanto's Motion for a Partial New Trial.

to the intention to deceive *a jury might have a reasonable doubt under all of the evidence in the case.*

"But it is not a criminal case. It is a civil case. *The burden is the preponderance of the evidence*, and I have found that it is *more probable than not.*

"Mr. Leydig? It is more than that, Your Honor.

"The Court: *That is all it is.*" (emphasis supplied).

Second: as to the District Court's holding that ". . . a *specific intent to deceive is not necessary* . . . when there is evidence of a deliberate withholding of material information," and that the patent must be rejected "even if the decision not to disclose was motivated by *nothing more than bad judgement as to the materiality of the information* . . ."[4] (emphasis supplied)?

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[4] The District Court, in its Supplemental Opinion denying Monsanto's Motion for a Partial New Trial which was premised largely on the contention that the District Court had erroneously found that "omissions were intentionally and deliberately made" in the patent application proceeding, said:

"As to whether Rohm & Haas has met its burden of proof, we have decided to let the record stand as it is. However, we are compelled to point out that even if we were persuaded to change our mind and find that although there were intentional omissions of fact, Monsanto did not intend to mislead the Patent Office, this would not lead us to a different conclusion with respect to the validity of a patent in light of such omissions. For the same policy considerations which underlie our February 17th Opinion (pages 792-794), *we hold that even if Monsanto did not intend to deceive the Patent Office, the fact that it intentionally withheld facts which were material to the decision whether it was entitled to a patent is sufficient to bar the issuance of a patent . . . even if the decision not to disclose was motivated by nothing more than bad judgment as to the materiality of the information, the patent must still be rejected. We hold that a specific intent to deceive is not necessary to bar a patent when there is evidence of a deliberate withholding of material information.* Of course, if it is found that the facts withheld were not even marginally material to the issues before the Patent Office, then our decision on this precise issue would be different." 312 F. Supp. 799. (emphasis supplied).

The stated holding is in plain disregard of the settled rule that in order to establish "fraudulent procurement" of a patent, intentional fraud must be proved, and "*an honest mistake*," made "*in good faith*," does not attain the dimension of intentional fraud. *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.*, 382 U.S. 172, 177 (1965). *See, too, Bendix Corporation* v. *Balex, Inc.*, 421 F.2d 809, 819 (7th Cir. 1970), *cert. den.* 399 U.S. 911.

It has been specifically held that enforcement of a patent should not be denied "merely because of an innocent or good faith non-disclosure"; "an applicant for a patent should be accorded the right to exercise good faith judgment in deciding what matters are and are not of sufficient relevance and materiality to require disclosure"; and that "[o]nly when he is guilty of fraud, willfulness or recklessness indicating a disregard for his duty of frankness should enforcement of the patent be barred." *Xerox Corporation* v. *Dennison Manufacturing Company*, 322 F. Supp. 963, 968-969 (S.D.N.Y. 1971).

Significantly relevant to the District Court's holding here that a patent must be rejected "even if the decision not to disclose was motivated by nothing more than bad judgment" is the contrary holding in *Tractor Supply Co.* v. *International Harvester Company*, 155 U.S.P.Q. 420 (D.C.N.D. Ill. E. Div.) 1967. There the Court said (p. 433):

> "An allegation of 'innocent' misrepresentation concerning the procurement of a patent, coupled with the lack of any proof that the patentee or his assignee acted fraudulently, intentionally, or willfully, is wholly inadequate to render a patent unenforceable in equity against an alleged infringer. To hold otherwise would work a forfeiture of the patentee's property *in the absence of unconscionable or morally reprehensible conduct*, something which equity is always reluctant to do." (emphasis supplied).

Third: As to the utter lack of evidence that the Patent Office would not have issued the patent but for the claimed fraudulent conduct:

Federal courts have time and again ruled that a party challenging enforcement of a patent on the ground that it was obtained by material misrepresentations or omissions in the patent application proceedings, must prove by "clear, unequivocal and convincing evidence" that the Patent Office would not have issued the patent but for the claimed misrepresentations or omissions.

In *Waterman-Bic Pen Corporation* v. *W. A. Sheaffer Pen Company, Division of Textron, Inc.*, 267 F. Supp. 849 (D. Del. 1967), the Court said at page 856:

> "A person attacking the validity of a patent for alleged fraudulent representations must prove that the representations were material — *that the patent would not have issued but for the representations.*" (emphasis supplied).

To the same effect, *see SCM Corporation* v. *Radio Corporation of America*, 318 F. Supp. 433, 448 (S.D.N.Y. 1970); *Corning Glass Works* v. *Anchor Hocking Glass Corporation*, *supra*, at 253 F. Supp. 469.

It is of the utmost relevance that no specific evidence was adduced below on the critical issue as to whether the Patent Office was misled into granting the patent by virtue of any omissions in the Husted affidavit. The District Court's conclusion that the Patent Office was thereby misled was based solely on "inference." On that score, it has been squarely held that "inference" cannot be substituted for "clear and convincing proof" in determining whether the Patent Office has been misled by material misrepresentations or omissions. *Nashua Corporation* v. *RCA Corporation*, 307 F. Supp. 152 (D.N.H. 1969) *aff'd* 431 F.2d 220 (1 Cir. 1970). There, the District Court, in rejecting a claim that

the patent applicant withheld material information in an affidavit submitted to the Patent Office, said:

> "There is no evidence *as to how this affidavit was interpreted and understood by the Patent Examiner and there is no evidence as to what extent, if any, the Patent Examiner relied on it. This, perhaps, may be inferred, but an allegation of fraud requires clear and convincng proof and should not be based on inferences.*" 307 F. Supp. 158. (emphasis supplied).

Fourth: the District Court's fact-findings that there was a "deliberate withholding" of "material" information, were clearly erroneous inasmuch as they were the fruit of an inapplicable "preponderance of the evidence" standard of proof:

The record below fails to disclose any evidence that the facts withheld from the Patent Office were "material" to the granting of the patent. That the District Court was aware of the vulnerability of its fact-finding that the withheld information was "material" is apparent from its statement in sub-section (c) of its Conclusions of Law No. 2:

> "Even if the facts withheld from the patent office were not material, Monsanto has come into court with unclean hands." 312 F. Supp. 798.

The record further contains no factual evidence that there was a "deliberate withholding" of information. There was, however, affirmative testimony by the then counsel for the patent applicant that the omitted data was not included in the Husted affidavit because in his opinion it was not material. This testimony was not challenged nor was it impeached.

It is pertinent to note that in *Monsanto Company* v. *Dawson Chemical Company*, 312 F. Supp. 452 (S.D. Tex.

1970)[5] the District Court, with knowledge of the Opinion in the instant case, rejected similar allegations of fraudulent procurement of the Monsanto Huffman patent, on its finding that they were not supported by "clear, unequivocal and convincing" evidence.

In that case, the District Court said in relevant part at page 462:

> "The law is settled that the proof of fraud must be clear, unequivocal, and convincing and a mere preponderance of the evidence which leaves the issue in doubt may not properly be a basis for a finding of fraud. Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co., *supra*, 169 F. Supp. p. 25. When these guidelines are applied to the present case, the inescapable conclusion is that defendants have failed in their burden of proof. The only misinformation presented to the Patent Office is the degree of phytotoxicity of 3,4-DCPA on radishes. There is no evidence that this small corner of a broad picture presented to the patent examiner materially influenced the decision to grant the patent. The remaining contention on unclean hands relates not to what was said, but rather to what was not said. Defendants have not established that the withholding of this information was done with intent to deceive the Patent Office. They have similarly failed to prove the materiality of the information withheld, that the patent examiner would have rejected the application had he known of the matters said to be withheld as was true in Charles Pfizer & Co. v. FTC, *supra*. To overcome the initial rejection by the patent examiner, it was necessary for plaintiffs to convince her that 3,4-DCPA had properties neither predictable from, nor in fact possessed by, 3,4-DCAA. By the manner in which they went about

[5] Reversed and remanded, 443 F.2d 1035 (5th Cir. 1971), in light of *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, ... U.S. ..... 1971. *See* n.4, Majority Opinion, *supra*.

this task, plaintiffs did nothing more than put their best foot forward. Defendants' contentions on this point are therefore without merit."

This, too, must be said with respect to the majority's reliance on *Precision Instrument Manufacturing Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945). There the evidence conclusively established that the patent in suit had been obtained by fraud, intentionally concealed from the Patent Office with intent to deceive. *Precision*, accordingly, is inapposite on its facts.

The majority has found it necessary to reach only the misrepresentation issue. I have accordingly confined this dissent to that issue. It is meet that I should say that I would also reverse the District Court's Judgment insofar as it is premised on its holdings that the Monsanto Huffman patent is invalid because it is "obvious" and "anticipated," and unenforceable because of "laches."

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1971.

No. 71-787

MONSANTO COMPANY,

Petitioner,

vs.

DAWSON CHEMICAL COMPANY AND CRYSTAL CHEMICAL COMPANY,

Respondents.

PETITIONER'S REPLY TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971.

No. 71-787

MONSANTO COMPANY,

Petitioner,

vs.

DAWSON CHEMICAL COMPANY, AND
CRYSTAL CHEMICAL COMPANY,

Respondents.

PETITIONER'S REPLY TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

Respondents appended to their opposing brief a copy of the January 12, 1972 opinion of the Court of Appeals for the Third Circuit in *Monsanto Company* v. *Rohm & Haas Company*. Each of the respondents' three arguments for denying the petition for writ of certiorari are, we believe, undermined rather than supported by the Third Circuit decision.

Respondents characterize that Third Circuit decision as one "agreeing that the patent at issue is invalid." But it is plain from that decision—which expressly refrained from reaching any issue other than misrepresentation to the Patent Office—that petitioner has not yet had its one full and fair opportunity for judicial resolution assured by

Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 U. S. 313 (1971).

The Court of Appeals for the Third Circuit affirmed the district court judgment that a deliberate misrepresentation had been made to the Patent Office to overcome a rejection of obviousness under 35 U. S. C. § 103 without even attempting to determine what was material to the Patent Office's withdrawal of an obviousness rejection under Section 103. Nor did it undertake to determine the issue of obviousness under Section 103 or under the other validity issues before it. That matter is still before the Third Circuit Court of Appeals in a Petition for Rehearing and a copy of that Petition for Rehearing is appended to this brief as part of the factual record.

Whether or not the issues before the Third Circuit Court of Appeals may yet result at some later date in a petition for writ of certiorari by one of the parties there, the fact and nature of the decision of the Court of Appeals of the Third Circuit is relevant itself. If the pending petition for rehearing should result in the requested reconsideration and an adoption of Judge Kalodner's strong dissent as the majority view, the decision of the Fifth Circuit, from which the present petition arises, should become—at least as a practical matter—moot. If the Third Circuit should adhere to its decision, Monsanto will promptly petition this Court for a Writ of Certiorari in that case. The two matters in such event would surely deserve to be considered as a single controversy by this court of last resort.

1. The Need Continues for Review of the Collateral Estoppel Issue on Writ of Certiorari.

This Court would hardly have undertaken in *Blonder-Tongue* to pass over the substantive patent validity issues presented to it for review and to create a limited collateral

estoppel rule had it assumed its new rule would be used to prevent a patentee from obtaining his one full and fair hearing on the merits of the patent validity issues. But that is what has occurred here.

Neither of the diametrically opposed district court judgments on the statutory issues of validity, under Sections 102 and 103 of Title 35, has received appellate review. The Third Circuit, to which the Fifth Circuit deferred, did not even reach the issue of whether under § 103 Monsanto was fully entitled to its patent. If that determination were made and accorded with that of the district court in Houston—the holding of misrepresentation by the Third Circuit would necessarily relate to a matter thereby acknowledged as being immaterial to issue of patentability. If a patent can in fact be held invalid for misrepresentation of an immaterial fact, then surely there must at least be clear and convincing proof of intent to mislead. But as the district judge in Philadelphia acknowledged, he applied a preponderance of the evidence test in determining the alleged deceit. Judge Kalodner's accurate criticism of the trial court's and the Third Circuit majority's misapprehension of the law on this point deserves this Court's attention.

The same factors which make re-determination of patent invalidity issues unpopular because they are difficult and time-consuming make any patent validity determination no more popular in either the trial courts or the courts of appeal. If a court can avoid scheduling a patent infringement action for trial until some other court has held the patent invalid, its work is greatly simplified. So long as the patent has been previously held valid in all preceding trials, a court must hear the new defendant's same invalidity defense. It is always to that court's advantage, in terms of saving its own time and effort, to permit itself to be persuaded by a party to postpone scheduling trial in favor of actions involving the same patent pending in other

courts. This is not to say that some years later that the same court may not exercise its sense of justice and equity to hold the patentee should not be stopped.

But if any court is moved by its sense of justice and equity to schedule a patent trial despite a trial scheduled elsewhere, or to make the effort to decide the validity issues despite the fact that decision on the validity issues is pending in another court, is there any reason contemplated in *Blonder-Tongue* which suggests its judgment should go for naught? Why shouldn't the trial court be encouraged, or at least not discouraged, from proceeding earlier rather than later if that is what its sense of justice and equity prompts it to do? The time to prevent the denial of justice because of delay, for example, is before even further delay has occurred. As a policy matter affecting future litigants, the question presented should be answered *no*.

Respondents point to a lack of any concern in the different courts in applying *Blonder-Tongue* retroactively and to the absence of any showing that the trial courts are troubled by delay in scheduling patent infringement trials. But that only underscores the popularity of the choice that reduces the time in disposing of cases. It is all too short a step from avoiding expenditure of judicial time on patents once held invalid to postponing patent trials until some other court has found the patent invalid. The cases since *Blonder-Tongue* illustrate that *Blonder-Tongue* as applied is an insufficiently complete guide for balancing, in a case-by-case development, all aspects of the public interest involved. *Blonder-Tongue* was designed to serve justice and should not be misused to pre-empt it.

2. The Petition Is Not Premature.

Respondents' argument that the petition that is "premature" is really an argument that procedural issues ("The Court of Appeals . . . merely remanded the case to

the District Court for trial of the collateral estoppel defense") are not important. This Court, of course, spoke in *Blonder-Tongue* to the important interplay of judicial procedure and the Congressional purpose expressed by the patent statutes. Procedure *is* of the essence. Having to successively enforce a patent against different infringers in the different courts where they can be reached and repeatedly rebutting the same defense of invalidity in each case until some court rules the patent invalid is a costly and debilitating process to the patentee. It is *not* premature to determine whether a defendant, tried for infringement on a patent not previously held invalid, shall have more than one day in court because of an intervening decision by another court. An affirmative answer to the question presented would grant the defendant that inordinately special privilege.

Respondents' suggestion that petitioner first pursue the present matter on remand to a final adjudication, whatever that may mean in the present context, so that petitioner can then additionally present to this Court whatever other questions may have arisen, suggests a direct appeal availability respondents elsewhere disparage. Monsanto would, of course, be only too happy to have this Court resolve all the issues presented by the different resolutions of patent validity in different federal courts, or to hold this petition pending further developments rather than deny it.

There is, however, a real and present problem in the adjustment of court procedure to more fairly and expeditiously balance the various segments of the public interest represented by enforcement of a patent right in different federal courts. The decisions of the Courts of Appeal for the Third and Fifth Circuits plainly illustrate the difficulties of obtaining a review of the fundamental issues of validity under 35 U. S. C. §§ 102 and 103 despite diametrically opposite determinations on these issues below.

The different decisions of the Philadelphia and Houston district courts illustrate the varying standards by which the patent law is applied. Since it would seem no court is interested, for example, in fully reviewing either a decision of validity or invalidity of a patent for a chemical compound under 35 U. S. C. § 103, why shouldn't the judgment of validity by the Houston district court stand?

3. The Writ Should Be Granted if Only for the Merit of Restraining Unwise Extension of the Principles of Blonder-Tongue.

Petitioner acknowledges the ease with which its arguments for reviewing the question presented seemingly turn into arguments that *Blonder-Tongue* creates more problems than it corrects. But that is because seemingly slight departures from *Blonder-Tongue* can easily have major and irreversible results, and because adherence to the supposed letter of *Blonder-Tongue* can quite ignore its total area of concern. Petitioner argues from a conviction that resources of patentees as well as of defendants can be better applied than to enduring expense and delay by litigation. Petitioner also argues from a very deeply held conviction that encouragement of decisions of invalidity at the expense of no less correct judgments of validity may discourage the investment of resources in research and development responsible for technological innovation.

Why, then, should one of two contemporaneous decisions resulting from contemporaneous trials be thrown away because it happens to be entered after, rather than before, the other and because it happened to be a judgment of validity and the other a judgment of invalidity?

A "no" answer to the question presented will encourage courts to take the initiative in scheduling trials and reaching decisions when they believe the interests of justice

require their proceeding promptly. This assumes, as it must, that courts so acting will have no predisposition to favor the causes of plaintiff-patentees on the one hand or declaratory judgment plaintiffs on the other. It does not need to assume that the occasion will arise often for a court to feel it useful to proceed to trial or judgment while an earlier trial or earlier tried case on the same patent is pending. So long as the courts are not inhibited from so acting by concern that their efforts will be undone by happenstance of an artificial rule, the beneficial effect will be there when it is needed. The "no" answer sought can do no harm and would act as a safety valve in the application of *Blonder-Tongue*. And like a safety valve, it is important and of great benefit because it if there when it is needed, whether it is needed often or not.

CONCLUSION

Since there is an important reason for the petition for writ of certiorari, since it is not premature and since it has merits the petition should be granted.

Respectfully submitted,

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In the

United States Court of Appeals

For the Third Circuit

No. 19132

MONSANTO COMPANY,

Plaintiff-Appellant,

vs.

ROHM & HAAS COMPANY,

Defendant-Appellee.

Appeal from the United States District Court
for the Eastern District of Pennsylvania.
Honorable THOMAS A. MASTERSON, *Trial Judge.*

PETITION FOR REHEARING.

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In the

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Appeal from the United States District Court
for the Eastern District of Pennsylvania.
Honorable THOMAS N. MASTERSON, *Trial Judge.*

PETITION FOR REHEARING

Plaintiff-appellant Monsanto Company respectfully requests this Court to reconsider its decision of January 12, 1972, in which, without reaching the other issues (including that under 35 U. S. C. § 103), the Court affirmed the district court judgment that Monsanto, by deliberate misrepresentations to the Patent Office, had overcome a rejection of obviousness under § 103.

With all due respect, it must be said that the Court in deciding that misrepresentation was proved by clear and convincing evidence without attempting to determine

what is material to a determination of unobviousness under § 103 and without even considering whether the Examiner would have reached a different result with *all* the Husted tests before her has condemned the plaintiff out of hand.

I. The Dissenting Opinion Is Correct.

The defendant's total failure to meet its burden of proof has been lost in a prejudicial misunderstanding of the facts. The dissenting opinion is correct and to the point. The majority has dismissed the telling criticisms in the dissent in a most superficial manner.*

There is not the slightest evidence that the Patent Office was misled or that the patent should not have been granted. And every reasonable doubt has been resolved against the plaintiff as to a supposed intention to mislead.

The district court reached an erroneous holding of intentional deceit but went on to conclude that an intent to deceive is unnecessary when there is evidence of "deliberate" omission of "material" information. Unfortunately its notions of materiality were based upon an erroneous reading of the patent law** and a semantic twisting of "deliberate." (App. 780) This Court has failed to even look beneath the surface of the lower court's determination of misrepresentation to see if the alleged deceit had any material bearing on the patentability issue.

* Footnote 11 of the majority opinion notes that the District Court had said (in its Conclusion of Law No. 6) that it applied the "clear and convincing" formula. But that was as to invalidity, in general. The test of significance here is what it actually did on the misrepresentation issue.

** The trial court erred in applying a pre-§ 103 case *In re Howe*, 181 F. 2d 196 (CCPA 1950), long discredited and since explicitly overruled as to the rationale upon which the Court below relied by *In re Stemniski*, 444 F. 2d 581 (CCPA, 1971). The trial court also erred in refusing to follow the very cases to which this Court has referred: *In re Papesch*, 315 F. 2d 381 (CCPA, 1963) and *Deutsche Gold und Silber-S v. Com'r of Patents*, 251 F. Supp. 624 (D. D. C. 1966), *aff'd*, 397 F. 2d 656 (D. C. Cir. 1968).

II. The Misrepresentation Conclusion Is Constructed on Errors and Misunderstandings.

Clearly underlying the majority's decision are three closely related items of supposed evidence of plaintiff's deceit. First, is the alleged "inconsistency" between the first two Huffman applications and the third which prompted the Court to highlight the presumably offending passage from the patent in suit at the outset of the opinion. *Second*, is the misconception that plaintiff—in the third Huffman application—asserted, contrary to representations in the first two applications, that "only" 3, 4-DCPA had herbicidal activity. And *third*, is the absence in the Husted affidavit of the data on the effect of 3, 4-DCAA on pigweed. If the Court will acknowledge as it reads this that these items are, indeed, what influenced its decision and will resist any tendency to brush over the following arguments because they appear in a rarely-granted petition for rehearing, we promise in the next few lines to show that the Court has reached a terribly unjust result on the basis of two wholly erroneous beliefs (engendered, of course, by defendant's arguments) and a misunderstanding of the patent soliciting process in the Patent Office.

Nowhere Did Plaintiff Say That 3, 4-DCPA Was the "Only" 3, 4-Dichloroanilide Having Herbicidal Activity.

The Court plainly reached its determination of misrepresentation believing that plaintiff's attorneys had shifted from a position in the first two applications, that a group or class of 3, 4-dichloroanilides shared a previously unknown and surprising herbicidal efficiency, to saying—in the third application—that 3, 4-DCPA was the "only"* compound of the class having such activity.

* Opinion page 6. Defendant's proposed finding 50 was the source of the erroneous language in Finding of Fact 35 (App. 678-679) that the 1967 application "asserted that *only* 3, 4-DCPA

The Court has relied on this apparently critical "fact" without realizing that plaintiff never said or implied it. 3, 4-DCPA *is* the best—by far—but not the only one. And no one connected with plaintiff ever said so. It should be apparent from the fact plaintiff was simultaneously prosecuting both the second and third applications and that the second (which was referred to on the very first page of the third) clearly disclosed and claimed herbicidal efficiency for the *class*, that precisely the opposite was true.

The "Inconsistency" Exists Only by Misunderstanding What Was Said.

The Court indicts plaintiff for being inconsistent in making the two, almost identical statements to the Patent Office which appear on the facing page. The statement on the left refers to the *class*** of "present compounds" which Huffman discovered had surprising herbicidal efficiency as compared to "related compounds" which his tests showed had "little or no herbicidal efficiency." Examples of 13 very closely related*** anilides which, it is undisputed, have "little or no herbicidal efficiency" are then given.

had 'unusual and valuable herbicidal activity'". The trial court did *not* accept the next sentence of the same proposed finding for which the first sentence was the obviously intended prop, namely that "Monsanto adopted a position inconsistent with its position in the first two applications . . .". The mischief was done, however, when the unfairly loaded phrase was left to invite the very finding of inconsistency which the court below rejected.

** 3, 4-dichloroanilides having less than nine carbon atoms in the anilide group. (DX-2 at 710). That class includes both 3, 4-DCPA and 3,4-DCAA.

*** The term "related compounds" as used in the paragraph appearing in the three Huffman applications refers to very similar compounds (i.e. anilides) which were *not* members of the class but which include a homolog (3, 4-DCLA [3, 4-dichlorolauranilide]) and the very isomer (2, 4-DCPA) relied on by the Examiner.

Huffman's Second Application* (DX-2; at 719) [Emphasis Added]	Huffman's Third Application (DX-1; at 649) [Emphasis Added]
"The herbicidal efficiency of the present compounds is surprising, for related compounds possess little or no herbicidal efficiency. When tested as described above, aqueous emulsions of a random group of such compounds are found to possess little or no herbicidal activity. Some of the compounds tested are set forth below:"	"The herbicidal efficiency of 3, 4-DCPA is suprising, for related compounds possess little or no herbicidal efficiency. When tested as described above, aqueous emulsions of a random group of such related compounds are found to possess little or no herbicidal activity. Some of the compounds are set forth below:"
3′-chloroisobutyranilide	3′-chloroisobutyranilide
3′-chloroacetanilide	3′-chloroacetanilide
4′-bromo-2′-phenylacetanilide	4′-bromo-2′-phenylacetanilide
2′,4-dichloropropioanilide	2′,4-dichloropropioanilide
2′,4′-dichloroisobutyranilide	2′,4′-dichloroisobutyranilide
2′, 4′, 5′-trichloroisobutyranilide	2′, 4′, 5′-trichloroisobutyranilide
3′,4′-dichlorolauranilide	3′,4′-dichlorolauranilide
2′,4′-dimethylpropionanilide	2′,4′-dimethylpropionanilide
N-methylacetanilide	N-methylacetanilide
N-n-butylacetanilide	N-n-butylacetanilide
p-chloracetylacetanilide	p-chloracetylacetanilide
2′,4′-dimethylpropionanilide	2′,4′-dimethylpropionanilide
2-chloro-2′,4′-dimethylpropionanilide	2-chloro-2′,4′-dimethylpropionanilide

* The exact same passage also appears in Huffman's first application (DX-3; at 806).

The statement on the right is completely consistent with the first because 3, 4-DCPA is a member of the *class* of compounds which was the subject of the first two applications. Pursuant to Patent Office requirements* the 1967 divisional application followed the disclosure and phraseology of the earlier application from which it was carved and as of whose date it speaks. (App. 698-699) It properly ascribes to the only member (3, 4-DCPA of the class represented by the divisional case the same property relative to the same "related compounds" as to the class itself. The parallel being drawn in each application was between Huffman's inventions and the closely "related", but non-herbicidal, anilides, 3, 4-DCAA had no place in the latter group.

Husted's Affidavit Was Not Untruthful or Misleading as to 3, 4-DCPA's Effectiveness.

When the 1967 Huffman application was filed, the Patent Office had already before it in the first two Huffman applications his discovery that 3, 4-DCPA was one of a class of compounds (including 3, 4-DCAA), which had herbicidal properties. It had been told in each of the first two applications (DX-3; at 805; DX-2; at 718) that 3, 4-DCAA killed pigweed. What it may not have appreciated prior to the filing of 1967 application was the head-and-shoulders superiority of 3, 4-DCPA. The affidavit (DX-1; at 691) accurately confirmed (trial court opinion; App. 691) that 3, 4-DCPA had novel and unexpected herbicidal properties.

* Section 201.06 of the Manual of Patent Examining Procedure specifies in part: "The divisional application should set forth only that portion of the earlier disclosure which is germane to the invention as claimed in the divisional application. . . . While a divisional application may depart from the phraseology used in the parent case, there may be no departure therefrom in substance . . . that would amount to 'new matter' if introduced by amendment into the parent case . . .".

The 1967 patent application itself reported tests on 31 plant species with 3, 4-DCPA. But by reporting the Husted tests on 11 species in direct comparison with the 9 closest compounds, the ruly remarkable qualities of 3, 4-DCPA were thrown into sharp focus. Under these circumstances and in the light of such data the fact that 3, 4-DCAA could kill pigweed or that lesser application rates led to less significant results were not material in any sense to the issue under § 103. Herbicides like medicines must, of course, be used in a sufficient dosage to be effective. And there was nothing the Examiner could or would have done with the "missing" data. The reference to the earlier applications, containing the explicit showing of 3, 4-DCAA's herbicidal effect on pigweed, appeared under a prominent subtitle on the first page of the 1967 application (DX-1; at 643) and was explicitly reiterated in the Huffman affidavit (DX-1; at 667) *which Mr. Cole gave to the examiner along with the Husted affidavit.*

Other Points Misapprehended by the Majority.

Without elaboration we outline below a number of additional points on which the majority has clearly misapprehended either the law or the facts. There are enough of them to place in serious question the Court's comprehension of other relevant facts on which the Court may not have so revealed its misunderstandings.

1. **"Moreover, priority of invention in an interference proceeding involving this patent and these parties have now been resolved in favor of the appellee." (Footnote 6, Opinion, p. 5)**

Where did this egregious error come from? The second (1961) Monsanto application, not the patent in suit, was (and still is) involved in the interference. The interference involved a process claim. It also is under appeal. The

Patent Office has not decided for this Court any of the issues before it.

2. **"The Patent Office, in four separate office actions, rejected all of Huffman's claims [in the 1957 application] as unpatentable under prior art disclosures." (Opinion, p. 6)**

The 1957 application file reveals that the Examiner there in fact found some of the claims allowable (DX-3; at 845). Again, the statement (Opinion, p. 6) that "[a]nd again the Patent Office rejected the claim of the [1961] application . . ." ignores the fact that the Patent Office considered a claim patentable to Monsanto in order to put its 1961 application into interference. These facts should make no difference one way or another, but the Court emphasized as significant "Huffman's previously unsuccessful attempts to obtain a patent" (Opinion, p. 11). That an applicant ultimately succeeds does not make his conduct suspect any more than reversal of a trial court renders the appeal suspect. And in view of the Court's reference (Opinion, p. 14) to ". . . a public interest that cancelled or rejected claims not be revived or restored", it should be noted that the Patent Office did not examine a claim to the compound 3, 4-DCPA until such a claim was submitted in the third (1967) application. The plaintiff is apparently presumed to have succeeded by stealth because it succeeded and to have acted against the public interest because it did not accede to the Examiner's initial and only rejection of the claim to 3, 4-DCPA (DX-1; at 661).

3. **"In all, the [Husted] affidavit showed less than 25 percent of Husted's results; of 810 tests, only 150 were submitted." (Opinion, p. 7)**

Where the Court got its tests-run vs. tests-submitted statistics* is as much a mystery as is its undiscriminating

* Instead of a total of "810 tests" of which "only 150 were submitted" there is in fact a total of 899 tests in Dr. Husted's report (DX-22) of which 110 were included in the affidavit.

attachment of significance to them in the first place. But the critical point is that the data not submitted underscores —rather than detracts from—the nonobvious herbicidal properties of 3, 4-DCPA on which the affidavit focused.

Of the 789 test results appearing in the Husted report but not in the affidavit, 669 of those show a herbicidal rating of "0" ("No phytotoxicity"*), 66 show a rating of "1" ("Slight phytotoxicity") and 27 show a rating of "2" ("Moderate phytotoxicity")—*a total of 762 (about 97%) in which the results clearly showed little or no herbicidal activity.* There were only 35 tests in the entire Husted report showing a rating of "3" ("Severe phytotoxicity"), or "4" ("Dead"). Of those, 31 involve 3, 4-DCPA and the other four involved 3, 4-DCAA. So there were only four tests out of 899 in which a compound other than 3, 4-DCPA showed even near herbicidal activity. Less than half of one percent! And those four were obtained with 3, 4-DCAA—the only other compound in the tests which was part of the *class* disclosed in the first two applications and a compound *whose herbicidal activity was discovered by Dr. Huffman.*

4. **"Moreover, it cannot be convincingly argued that the examiner in the Patent Office in 1967, in a proceeding numbered 3,382,280, can be charged with knowledge of the contents of an abandoned application numbered 661,575 made in 1957." (Opinion, p. 12)**

This startling statement—in rejection of plaintiff's contention that it could hardly be said to have been hiding the ability of 3, 4-DCAA to kill pigweed—goes out of its way to be wrong. No proceeding numbered 3,382,280 was before the Examiner. That was the later assigned patent number of the 1967 application 613,738. The controlling fact is that

* The Court's Footnote No. 5 correctly defines a herbicide as something that is capable of *destroying* a plant. "Phytotoxic" means poisonous or toxic to plants. And as is clear from the Husted ratings of "0" to "4" some compounds show some toxicity to some plants, at practical application rates, but are not herbicidal.

the first page of the 1967 application before her contained prominent cross references to the 1957 and 1961 applications (DX-1; at 643). They thus became working documents and part of the record which Examiner Trusof was duty-bound to review. There is no reason whatever from facts on this record or anywhere else to conclude she did not do her duty.* She was charged with knowledge of the previous applications, she in fact had knowledge of them,** and she was also aware of the interference proceedings (which involved the second application).

5. **"We hold that under the 'totality of circumstances'—(1) the rejection for obviousness in 1957 of the class of compounds of which 3, 4-DCPA was a member . . . (2) the similar rejection in 1961 for the same reasons . . ." (Opinion, (p. 13).**

The "class of compounds of which 3, 4-DCPA was a member" was *never* claimed—in any of the three Huffman applications. The first two applications were directed to the *use* of the class of compounds (or certain species, including 3, 4-DCPA) as herbicides. Plaintiff knew very well it could not claim the class as new compounds—because the class contained prior art compounds, e.g., 3, 4-DCAA—and it never attempted to do so. If the elements of the "totality of circumstances" were not understood, how could the plaintiff have been fairly judged?

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* The Manual of Patent Examining Procedure requires the Examiner to refer to the parent applications of the patent being examined. Section 708 states in part "Examiners are responsible for making this determination [that the disclosure of the earlier case adequately supports claims of the later case]." Section 707.05 specifies in part "In all continuing applications, the parent applications should be reviewed for pertinent prior art."

** In another case involving this patent, *Chris-Craft Industries, Inc.* v. *Monsanto Company*, Civil Action 68-815-WPG, District Court for the Central District of California, Examiner Trusof was deposed on January 26, 1970 by the declaratory judgment plaintiff and asked if she had looked at the two prior files. Lest any further mystery be made of usual Patent Office procedure, it may be noted that she testified flatly that she had.

III. Reconsideration Is Unusually Important Here.

On the very day this appeal was argued, the Supreme Court handed down its opinion in *Blonder-Tongue Laboratories, Inc.* v. *Univ. of Illinois Foundation*, 402 U. S. 313 (1971). Under that ruling the first judgment of invalidity of a patent gives rise to an estoppel defense in subsequent actions against other defendants, making it particularly important that the first judgment on patent validity issues be full, fair, and impartial. As noted in Footnote 4 of the opinion, the Fifth Circuit Court of Appeals, in view of the fact of Judge Masterson's opinion below and without consideration of its merits, has reversed and remanded the judgment of the Houston District Court, speaking through Judge Singleton, that the Huffman patent is valid. Who is going to accept the responsibility of reviewing Judge Masterson's conclusion on patent invalidity? Surely the Supreme Court expected more than this under *Blonder-Tongue* on the patentability issues. Other parties looking to this opinion for guidance need more than they have received. Judge Kalodner's strong dissent and Judge Singleton's decision at 312 F. Supp. 452 underscore that there are, indeed, "honest and fairminded men" who would not condemn the plaintiff on the evidence in this case.

A hearing on all the issues on appeal is again respectfully requested.

Respectfully submitted,

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